96TH CONGRESS : : : : 1ST SESSION

JANUARY 15, 1979–JANUARY 3, 1980

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CONTENTS

No.
42. Proceedings of 60th national convention of American Legion, 1978.
43. 57th national report, Disabled American Veterans, 1978.
44. State of Union supplement, address of the President (Carter).
45. Relations with Taiwan.
46. Rescissions and deferrals.
47. Progress in Cyprus negotiations.
48. DOE Energy actions Nos. 3 and 4.

96th Congress, 1st Session - - - - - - - House Document No. 96–42

PROCEEDINGS OF 60th NATIONAL CONVENTION *of the*

AMERICAN LEGION

New Orleans, Louisiana
August 22–24, 1978

January 24, 1979.—Referred to the Committee on Veterans' Affairs and ordered to be printed, with illustrations.

PUBLIC LAW NO. 105, EIGHTY-EIGHTH CONGRESS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of March 2, 1931, as amended (44 U.S.C. 275b), is amended to read as follows:

"That hereafter the proceedings of the national encampments of the Grand Army of the Republic, the United Spanish War Veterans, the Veterans of Foreign Wars of the United States, The American Legion, the Military Order of the Purple Heart, the Veterans of World War I of the United States of America, Incorporated, and the Disabled American Veterans of the World War, respectively, shall be printed annually, with accompanying illustrations, as separate House documents of the session of the Congress to which they may be submitted."

SEC. 2. The last sentence of section 16 of Public Law 85-530 (36 U.S.C. 776), is repealed.

Approved August 27, 1963.

LETTER OF TRANSMITTAL

THE AMERICAN LEGION,
Washington, D.C., November 8, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith for printing as a House Document as provided by law are the proceedings of the 60th Annual National Convention, a report of American Legion activities for the year preceding the convention and a financial statement and independent audit of the organization.

Sincerely,

MYLIO S. KRAJA, Director,
National Legislative Commission.

CONTENTS

Page
Preamble to the Constitution of The American Legion 1
National conventions and national officers 2

SUMMARY OF PROCEEDINGS

TUESDAY MORNING SESSION—AUGUST 22, 1978

Call to order—National Commander Robert Charles Smith 9
Invocation—National Chaplain Walter D. Power 9
Reading of Convention Call—National Adjutant Frank C. Momsen 9
Welcomes:
  James E. Fitzmorris, Jr., Lieutenant Governor of Louisiana 10
  Ernest N. Morial, mayor, city of New Orleans 11
  Philip J. Mayeaux, past department commander 11
  Albert V. LaBiche, president, First District Convention Corporation 12
Report of National Commander Robert Charles Smith 12
Greetings:
  Max Cleland, Administrator, Veterans' Administration 14
Presentation of Medallion to the city of Denver, Colo. by past National Commander William J. Rogers 15
Presentation—John A. Llewelyn (Ret.) Occidental Life Insurance Co. of California to The American Legion 16
Greetings:
  Harry Foster, president, Society of American Legion Founders 19
  E. C. "Ed" Coley, president, Royal Canadian Legion 19
Presentation—Dominion President Coley to National Commander Smith 20
Greetings:
  Frank H. Farley, past dominion president, Army, Navy and Air Force Veterans in Canada 20
Presentation—Past President Farley to National Commander Smith 20
Report of Convention Committee on Credentials and Other Internal Matters—Section I 21
Greetings:
  T. Y. Chao, Chairman, Vocational Assistance Commission for Retired Servicemen, Republic of China 21
Presentation of International Amity Award—National Commander Smith to Vice Adm. Lee Maeng Kee 22
Address—Dr. Tom E. Nesbitt, president, American Medical Association 24
Greetings:
  Richard J. Kepler, National Commander, Sons of The American Legion 26
Address—Harold Brown, Secretary of Defense 27
Report of Convention Committee on Legislation and Rules 30
Report of Convention Committee on Credentials and Internal Matters, Section II 31
Report of Convention Committee on Credentials and Internal Affairs, Section III 36
Commanders "Who Dare to Care" 37

WEDNESDAY SESSION—AUGUST 23, 1978

Call to Order—National Commander Robert Charles Smith 38
Invocation—National Chaplain, Walter D. Power 38
Report of Convention Committee on Americanism 38

Page

Presentation of representatives of The American Legion Youth Programs 43
Presentation of Hearst Trophy 45
Presentation of Distinguished Service Medal 45
Certificate of Appreciation 47
Address—Ray Roberts, U.S. House of Representatives 48
Greetings:
  Mrs. Vi Moltzen, president, American Legion Auxiliary 50
Report of Convention Committee on Veterans Affairs and Rehabilitation 51
Presentation—Robert Charles Smith to Dr. Rosalyn Yalow, Nobel Prize Winner 65
Presentation—Employee of the Year Awards for Hiring Veterans 66
Report of Convention Committee on Economics 66
Report of Convention Committee on Children and Youth 75
Report of Convention Committee on Finance 78
Report of Convention Committee on Foreign Relations 78
Report of Committee on Constitutional Amendments 87

THURSDAY SESSION—AUGUST 24, 1978

Call to Order—National Commander Robert Charles Smith 89
Invocation—National Chaplain Walter D. Power 89
Report of Convention Committee on National Security 89
Naval Affairs Committee 101
Address—Gen. Bernard W. Rogers, Chief of Staff, U.S. Army 102
Presentation—The American Legion Fourth Estate Award 105
Address—James Barrett, World President, USO 106
Presentation of plaque and colors 107
Election of National Commander 107
Presentation of colors to incoming National Commander 109
Benediction—National Chaplain Walter D. Power 109
Adjournment 109

APPENDIX

Announcement of annual awards at National Convention 109
Financial report 113

THE AMERICAN LEGION 60th ANNUAL REPORT

Foreword, National Adjutant Frank C. Momsen 127
Excerpts from Constitution of The American Legion 129
National Executive Committee 131
Report of National Vice Commanders:
  Eugene V. Lindquist 132
  Roger A. Munson 133
  John J. O'Connell 134
  Chester Phillips 135
  Irving B. Selmer 136
Report of National Chaplain 137
Report of National Historian 138
Memorial Roll Call 140
Report of National Judge Advocate 145
Administrative Services Division 149
  Computer Center 151
  Library and Museum 152
Americanism Commission 156
  Counter-Subversive Activities Committee 161
  Education Committee 162
Children and Youth Commission 163
  American Legion Child Welfare Foundation, Inc 174
Convention Commission 178
  Distinguished Guest Committee 180
  Contests Supervisory Committee 180
Economic Commission 181
  Employment Committee 192
  Veterans Preference Committee 197

Page
Finance Commission — 201
    American Legion Endowment Fund Corporation — 201
    Emblem Committee — 202
    Life Insurance and Trust Committee — 203
Foreign Relations Commission — 207
Internal Affairs Commission — 220
    Membership and Post Activities — 221
    Resolutions Assignment Committee — 223
    Trophies, Awards and Ceremonials Committee — 223
Legislative Commission — 225
National Security Commission — 229
    Aerospace Committee — 235
    Defense Civil Preparedness Committee — 237
    Law and Order Committee — 239
    Merchant Marine Committee — 240
    Military Affairs Committee — 242
    National Security Council — 245
    Naval Affairs Committee — 249
Public Relations Commission — 251
The American Legion Magazine Commission — 253
Veterans' Affairs and Rehabilitation Commission — 256
Financial Statement and Independent Audit — 280
Report of the National President of the American Legion Auxiliary — 331

READEX
FICHE

PREAMBLE TO THE CONSTITUTION OF THE AMERICAN LEGION

* * * * * * *

For God and Country, we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a one hundred percent Americanism; to preserve the memories and incidents of our associations in the Great Wars; to inculcate a sense of individual obligation to the community, State, and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom, and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

* * * * * * *

NATIONAL CONVENTIONS AND NATIONAL OFFICERS OF THE AMERICAN LEGION, 1919 TO 1978

NOTE.—In the following list it should be noted that the terms of each group of officers expire with that particular convention under which they are listed

HONORARY COMMANDERS

*General John J. Pershing

*Marshall Ferdinand Foch

PARIS CAUCUS

Paris, France, March 15 to 17, 1919

Temporary Chairman: *Eric Fisher Wood, Pennsylvania. (Voted title of Past National Commander at the 1955 National Convention.)

Permanent Chairman: *Bennett C. Clark, Missouri. (Voted title of Past National Commander at 1926 National Convention.)

Chairman Pro Tempore: *Thomas W. Miller, Delaware. (Voted title of Past National Commander at 1968 National Convention.)

Secretary: *Eric Fisher Wood, Pennsylvania. At the Paris Caucus an Executive Committee was elected to complete arrangements, the chairman and secretary of which were:

Chairman: *Milton J. Foreman, Illinois. (Voted title of Past National Commander at 1921 National Convention.)

Secretary: *George A. White, Oregon.

ST. LOUIS CAUCUS

St. Louis, Mo., May 8 to 10, 1919

Temporary Chairman: *Theodore Roosevelt, Jr., New York. (Voted title of Past National Commander at 31st Annual National Convention.)

Permanent Chairman: *Henry D. Lindsley, Texas.

Vice Chairman: *John J. Sullivan, Washington; Fred Humphrey, New Mexico; *F. C. Calhoun, Connecticut. (Voted titles of Past National Vice Commanders at 1933 National Convention.)

Secretary: *Eric Fisher Wood, Pennsylvania.

Chaplain: *Thomas H. Wiles, Colorado. (Voted title of Past National Chaplain at 1921 National Convention.)

FIRST NATIONAL CONVENTION

Minneapolis, Minn., November 10 to 12, 1919

Chairman: *Henry D. Lindsley, Texas. (Voted title of Past National Commander at 1919 National Convention.)

Vice Chairman: *Bennett C. Clark, Missouri.

Secretary: *Eric Fisher Wood, Pennsylvania.

Treasurer: *Gaspar G. Bacon, Massachusetts.

Chaplain: *Thomas H. Wiles, Colorado.

SECOND NATIONAL CONVENTION

Cleveland, Ohio, September 27 to 29, 1920

Commander: *Franklin D'Olier, Pennsylvania.

Vice Commanders: *James O'Brien, California; *Allen Tukey, Nebraska; *Joyce S. Lewis, Minnesota; Alden B. Chambers, Massachusetts; *William Follett, Oregon.

Adjutant: *Lemuel Bolles, Washington.

Treasurer: *Robert H. Tyndall, Indiana.

Historian: *Eben Putnam, Massachusetts.

Chaplain: *Rev. Francis A. Kelly, New York.

THIRD NATIONAL CONVENTION

Kansas City, Mo., October 31 to November 2, 1921

Commander: *Frederick W. Galbraith, Jr., Ohio (killed June 9), succeeded by *John G. Emery, Michigan.

Vice Commanders: John G. Emery, Michigan; *Thomas Goldingay, New Jersey; Claudius G. Pendill, Wisconsin; *James G. Schrugham, Nevada; E. Jackson Winslett, Alabama.

Adjutant: *Lemuel Bolles, Washington.

Treasurer: *Robert H. Tyndall, Indiana.

Chaplain: *Rev. John W. Inzer, Tennessee.

Historian: *Eben Putnam, Massachusetts.

Judge Advocate: *Robert A. Adams, Indiana.

FOURTH NATIONAL CONVENTION

New Orleans, La., October 16 to 20, 1922

Commander: *Hanford MacNider, Iowa.

Vice Commanders: *H. Nelson Jackson, Vermont; *George L. Berry, Tennessee; *Raymond O. Brackett, Massachusetts; Charles H. Kendrick, California; *John A. McCormick, Colorado.

Adjutant: *Lemuel Bolles, Washington.

Treasurer: *Robert H. Tyndall, Indiana.

Chaplain: *Rev. Earl A. Blackman, Kansas.

Historian: *Eben Putnam, Massachusetts.

Judge Advocate: *Robert A. Adams, Indiana.

FIFTH NATIONAL CONVENTION

San Francisco, Calif., October 16 to 19, 1923

Commander: *Alvin Owsley, Texas.

Vice Commanders: *Edward J. Barrett, Wisconsin; *Watson B. Miller, District of Columbia; E. Erle Cocke, Sr., Georgia; *Robert O. Blood, New Hampshire; Chiles P. Plummer, Wyoming.

Adjutant: *Lemuel Bolles, Washington.

Treasurer: *Robert H. Tyndall, Indiana.

Chaplain: *Rev. Wm. F. O'Connor, Ohio.

Historian: *Eben Putnam, Massachusetts.

Judge Advocate: *Robert A. Adams, Indiana.

SIXTH NATIONAL CONVENTION

St. Paul, Minn., September 15 to 19, 1924

Commander: John R. Quinn, California.

Vice Commanders: *Lester Albert, Idaho; Celora M. Stoddard, Arizona; *William B. Healey, Pennsylvania; F. Ryan Duff, Wisconsin; *Dr. I. Thurman Mann, North Carolina.

Historian: *Eben Putnam, Massachusetts.

Adjutant: *Lemuel Bolles, Washington.

Treasurer: *Robert H. Tyndall, Indiana.

Chaplain: *Rev. Ezra Clemens, Minnesota.

Judge Advocate: *Robert A. Adams, Indiana.

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*Deceased.

*Deceased.

SEVENTH NATIONAL CONVENTION

Omaha, Nebr., October 5 to 9, 1925

Commander: James A. Drain, Washington.
Vice Commanders: *Frank H. McFarland, Kansas: *Eugene P. Armstrong, Connecticut; A. L. Perry, Panama; Peyton H. Hoge, Jr., Kentucky; *William Stern, North Dakota.
Adjutant: *Russell G. Creviston, Indiana (resigned), succeeded by *James F. Barton, Iowa.
Treasurer: *Robert H. Tyndall, Indiana.
Chaplain: Rev. Joseph M. Lonergan, Illinois.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: *Robert A. Adams, Indiana.

EIGHTH NATIONAL CONVENTION

Philadelphia, Pa., October 11 to 15, 1926

Commander: John R. McQuizz, Ohio.
Vice Commanders: Joseph Y. Cheney, Florida: *Hughes B. Davis, Oklahoma: *Vincent A. Carroll, Pennsylvania: *Raymond B. Littlefield, Rhode Island: *James A. Howell, Utah.
Adjutant: *James F. Barton, Iowa.
Treasurer: *Robert H. Tyndall, Indiana.
Chaplain: *Rev. Wm. E. Patrick, California.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: *Robert A. Adams, Indiana.

NINTH NATIONAL CONVENTION

New York City, N.Y., October 18, 1927

Paris, France, September 19 to 22, 1927

Commander: Howard P. Savage, Illinois.
Vice Commanders: *C. Thomas Busha, Jr., Montana: Stafford King, Minnesota: John G. Sims, Tennessee; *John E. Curtiss, Nebraska; *John G. Towne, Maine.
Adjutant: *James F. Barton, Iowa.
Treasurer: *Robert H. Tyndall, Indiana.
Chaplain: *Rev. Joseph L. N. Wolfe, Pennsylvania.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: *Robert A. Adams, Indiana.

10TH NATIONAL CONVENTION

San Antonio, Tex., October 8 to 11, 1928

Commander: *Edward E. Spafford, New York.
Vice Commanders: John T. Rafts, Washington; *Ralph T. O'Neil, Kansas; *Paul R. Younts, North Carolina; Dan Spurlock, Louisiana; *John M. Henry, Minnesota.
Adjutant: *James F. Barton, Iowa.
Chaplain: Rev. Gill Robb Wilson, New Jersey.
Historian: *Eben Putnam, Massachusetts.
Treasurer: *Bowman Elder, Indiana.
Judge Advocate: *Scott W. Lucas, Illinois.

11TH NATIONAL CONVENTION

Louisville, Ky., September 30 to October 2, 1929

Commander: *Paul V. McNutt, Indiana.
Vice Commanders: Lawrence E. McGann, Jr., Illinois; *George W. Malone, Nevada; *Edward L. White, Connecticut; Miller C. Foster, South Carolina; *Walton D. Hood, Texas.
Adjutant: *James F. Barton, Iowa.
Chaplain: Rabbi Lee J. Levinger, Ohio.
Treasurer: *Bowman Elder, Indiana.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: *Scott W. Lucas, Illinois.

12TH NATIONAL CONVENTION

Boston, Mass., October 6 to 9, 1930

Commander: *O. L. Bodenhammer, Arkansas.
Vice Commanders: *Milt D. Campbell, Ohio; John J. Dugan, Delaware; *Morton M. David, Colorado; *Frank Schoble, Jr., Pennsylvania: Willis M. Brewer, Michigan.
Adjutant: *James F. Barton, Iowa.
Chaplain: *Rev. George K. Kettell, D.D., New York.
Treasurer: *Bowman Elder, Indiana.
Histoarian: *Eben Putnam, Massachusetts.
Judge Advocate: *Scott W. Lucas, Illinois.

13TH NATIONAL CONVENTION

Detroit, Mich., September 21 to 24, 1931

Commander: *Ralph T. O'Neil, Kansas.
Vice Commander: *Bert S. Hyland, Vermont; *Roland B. Howell, Louisiana; *Harry B. Henderson, Jr., Wyoming; *Dr. James A. Duff, West Virginia; *Dr. Neal D. Williams, Missouri.
Adjutant: *James F. Barton, Iowa.
Chaplain: Rev. Jos. N. Barnett, Wisconsin.
Treasurer: *Bowman Elder, Indiana.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: *Scott W. Lucas, Illinois.

14TH NATIONAL CONVENTION

Portland, Oreg., September 12 to 15, 1932

Commander: *Henry L. Stevens, Jr., North Carolina.
Vice Commanders: *Richard F. Paul, Massachusetts; *Forest G. Cooper, Mississippi; Roy L. Cook, New Mexico; *Frank N. Brooks, Washington; *Harold L. Plummer, Wisconsin.
Adjutant: *James F. Barton, Iowa.
Chaplain: *Rev. H. A. Darche, Illinois.
Treasurer: *Bowman Elder, Indiana.
Historian: *Eben Putnam, Massachusetts.
Judge Advocate: Remster A. Bingham, Indiana.

15TH NATIONAL CONVENTION

Chicago, Ill., October 2 to 5, 1933

Commander: *Louis Johnson, West Virginia.
Vice Commanders: Russell Meadows, Arizona; Robert D. Flory, Nebraska; *Wm. Easterwood, Texas; *John J. Maloney, Maine; *Chas. A. Mills, Florida.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: Rev. Irving Q. Wood, Idaho.
Treasurer: *Bowman Elder, Indiana.
Historian: *Eben Putnam, Massachusetts (died January 22, 1933), succeeded by *Thomas M. Owen, Jr., Alabama.
Judge Advocate: Remster A. Bingham, Indiana.

16TH NATIONAL CONVENTION

Miami, Fla., October 22 to 25, 1934

Commander: *Edward A. Hayes, Illinois.
Vice Commanders: *Charles R. Mabey, Utah; Robert L. Gordon, Arkansas; Miguel Munoz, Puerto Rico; *Ed W. Carruth, Kansas; Charles L. Woolley, Rhode Island.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: Rev. Robert J. White, Massachusetts.

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*Deceased.

*Deceased.

Historian: *Thomas M. Owens, Jr., Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Remster A. Bingham, Indiana.

17TH NATIONAL CONVENTION

St. Louis, Mo., September 23 to 26, 1935

Commander: *Frank N. Belgrano, Jr., California.
Vice Commanders: Daniel J. Doherty, Massachusetts; Harold J. Warner, Oregon; *John K. Kennelly, North Dakota; Milo J. Warner, Ohio; Quimby Melton, Georgia.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Park W. Huntington, Delaware.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *James A. Drain, Washington.
Judge Advocate: *James A. Drain, Washington.

18TH NATIONAL CONVENTION

Cleveland, Ohio, September 21 to 24, 1936

Commander: *Ray Murphy, Iowa.
Vice Commanders: *Raymond F. Gates, Connecticut; *Dr. W. E. Whitlock, Florida; Oscar W. Worthwine, Idaho; Dr. F. Whitney Godwin, Virginia; *Louis R. Probst, Wyoming.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Thos. D. Kennedy, Missouri.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

19TH NATIONAL CONVENTION

New York, N.Y., September 20 to 23, 1937

Commander: Harry W. Colmery, Kansas.
Vice Commanders: *Salvatore Capodice, California; *Leo A. Temmey, South Dakota; *Leonard Sisk, Tennessee; *J. Fred Johnson, Jr., Alabama; *Jack Crowley, Vermont.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Bryan H. Keathley, Texas.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

20TH NATIONAL CONVENTION

Los Angeles, Calif., September 19 to 22, 1938

Commander: *Daniel J. Doherty, Massachusetts.
Vice Commanders: Drury M. Phillips, Texas; Phil Conley, West Virginia; *Harry M. Johnson, Montana; *James F. Daniel, Jr., South Carolina; *James R. Mahaffey, Hawaii.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Frank J. Lawler, Illinois.
Historian; *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

21ST NATIONAL CONVENTION

Chicago, Ill.; September 25 to 28, 1939

Commander: *Stephen F. Chadwick, Washington.
Vice Commanders: *Edward J. Quinn, Maine; Charles W. Crush, Virginia; *Earl T. Ross, Nevada; *James T. Crawley, Mississippi; Henry C. Oakey, Wisconsin.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Jerome L. Fritsche, Nebraska.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

22D NATIONAL CONVENTION

Boston, Mass., September 23 to 26, 1940

Commander: Raymond J. Kelly, Michigan.
Vice Commanders: *Leo E. Ray, New Hampshire; *Charles Q. Kelly, Arkansas; *Metthew J. Murphy, Illinois; *James B. Fitzgerald, Maryland; H. Elwyn Davis, Colorado.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Patrick N. McDermott, Iowa.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

23D NATIONAL CONVENTION

Milwaukee, Wis., September 15 to 18, 1941

Commander Milo J. Warner, Ohio.
Vice Commanders: Erwin A. Froyd, Wyoming; James L. McCrory, Nebraska; *Harold P. Redden, Massachusetts; *Edward R. Stirling, Pennsylvania; *Alcee S. Legendre, Louisiana.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: Brigadier William G. Gilks, Texas.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

24TH NATIONAL CONVENTION

Kansas City, Mo., September 19 to 21, 1942

Commander: *Lynn U. Stambaugh, North Dakota.
Vice Commanders: W. C. Sawyer, Arizona; *DeLacy Allen, Georgia; Charles E. Booth, West Virginia; *V. M. Armstrong, Indiana; *John F. Sullivan, Vermont.
Adjutant: *Frank E. Samuel, Kansas.
Chaplain: *Rev. Frederick J. Halloran, New Jersey.
Historian: *Thomas M. Owens, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

25TH NATIONAL CONVENTION

Omaha, Nebr., September 21 to 23, 1943

Commander: *Roane Waring, Tennessee.
Vice Commanders: John T. Batten, Alabama; *Arthur J. Connell, Connecticut; *Fred G. Fraser, District of Columbia; *Herman H. Lark, Missouri; *Jefferson Davis Atwood, New Mexico.
Adjutant: *Frank E. Samuel, Kansas (died July 25), succeeded by *Donald G. Glascoff, Michigan, Acting Adjutant.
Chaplain: *Rev. Paul De Forrest Mortimore, Idaho.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

26TH NATIONAL CONVENTION

Chicago, Ill., September 18 to 20, 1944

Commander: *Warren H. Atherton, California.
Vice Commanders: *Martin V. Coffey, Ohio; *M. E. Littlefield, Utah; *Robert (LeRoy) McMillan, North Carolina; Edward A. Mulrooney, Delaware; *Hector G. Staples, Maine.
Adjutant: *Donald G. Glascoff, Michigan.
Chaplain: *Rev. John F. McManus, Kansas.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

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*Deceased.

*Deceased.

27TH NATIONAL CONVENTION

Chicago, Ill., November 18 to 21, 1945

Commander: *Edward N. Scheiberling, New York.
Vice Commanders: Bascom F. Jones, Tennessee; Frank E. McCuffrey, Rhode Island; *Dan M. McDade, Oregon; *Ray S. Pierson, Kansas; *Willian P. Shadoan, Kentucky.
Adjutant: *Donald G. Glascoff, Michigan.
Chaplain: *Rev. DeWitt C. Mallory, Florida.
Historian: *Thomas M. Owens, Jr., Alabama.
Treasurer: *John Ruddick, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

28TH NATIONAL CONVENTION

San Francisco, Calif., September 30 to October 4, 1946

Commander: *John Stelle, Illinois.
Vice Commanders: *R. Graham Huntington, New Jersey; Fred LaBoon, Oklahoma; *Sam L. Latimer, Jr., South Carolina; *H. Dudley Swim, Idaho; *Jeremiah Twomey, Massachusetts.
Adjutant: *Donald G. Glascoff, Michigan.
Chaplain: *Rt. Rev. Msgr. Edward J. Smith, Iowa.
Historian: *Thomas M. Owens, Jr., Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

29TH NATIONAL CONVENTION

New York, N.Y., August 28 to 31, 1947

Commander: *Paul H. Griffith, Pennsylvania.
Vice Commanders: Joseph W. Brown, New Hampshire; Martin B. Buckner, Michigan; Richard C. Cadwallader, Louisiana; Ernest H. Dervishian, Virginia; Edward J. Sharkey, California.
Adjutant: *Donald G. Glascoff, Michigan.
Chaplain: Rev. Arthur L. Rustad, Minnesota.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

30TH NATIONAL CONVENTION

Miami, Fla., October 18 to 20, 1948

Commander: James F. O'Neil, New Hampshire.
Vice Commanders: L. W. Barns, South Dakota; *Albert A. Cree, Vermont; Richard B. Ott, Washington; Myron R. Renick, West Virginia; Joe W. White, Georgia.
Adjutant: Henry H. Dudley, Nebraska.
Chaplain: Rev. Father Frank L. Harrington, Montana.
Historian: *Thomas M. Owen, Jr., Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

31ST NATIONAL CONVENTION

Philadelphia, Pa., August 29 to September 1, 1949

Commander: Perry Brown, Texas.
Vice Commanders: James Lane, Alabama; Leonard W. Moody, Arkansas; James Annin, Montana; Edward J. Kelly, Connecticut; *Walter E. Alessandroni, Pennsylvania.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: Rev. Thomas Grice, California.
Historian: *Monte C. Sandlin, Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

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*Deceased.

32D NATIONAL CONVENTION

Los Angeles, Calif., October 9 to 12, 1950

Commander: George N. Craig, Indiana.
Vice Commanders: Milton G. Boock, Minnesota; *David H. Fleisher, Missouri; Frank E. Lowe, Maine; J. E. Martie, Nevada; *Dr. D. R. Perry, North Carolina.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: Rev. Edward J. Carney, O.S.A., Massachusetts.
Historian: *Monte C. Sandlin, Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

33D NATIONAL CONVENTION

Miami, Fla., October 15 to 18, 1951

Commander: Erle Cocke, Jr., Georgia.
Vice Commanders: *Joe Adams, Florida; *Herbert J. Jacobi, District of Columbia; Felix Pogliano, Colorado; *Lewis K. Gough, California; Fred C. Bramlage, Kansas.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: Rabbi David Lefkowitz, Louisiana.
Historian: *Monte C. Sandlin, Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

34TH NATIONAL CONVENTION

New York, N.Y., August 25 to 28, 1952

Commander: Donald R. Wilson, West Virginia.
Vice Commanders: Adolph F. Bremer, Minnesota; Frank R. Kelley, Massachusetts; *Thomas E. Paradine, New York; *Oscar B. Rohlff, Wyoming; *Audley H. Ward, South Carolina.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: *Rev. Olaf G. Birkeland, Wisconsin.
Historian: *Monte C. Sandlin, Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

35TH NATIONAL CONVENTION

St. Louis, Mo., August 31 to September 3, 1953

Commander: *Lewis K. Gough, California.
Vice Commanders: *William R. Bourdon, Arizona; Lyon W. Brandon, Mississippi; Wilbur C. Daniel, Virginia; Harry V. Groome, New Jersey; J. Addington Wagner Michigan.
Adjutant: *Harry H. Dudley, Nebraska.
Chaplain: *Rev. Father John E. Duffy, Ohio.
Historian: *Monte C. Sandlin, Alabama.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

36TH NATIONAL CONVENTION

Washington, D.C., August 30 to September 2, 1954

Commander: *Arthur J. Connell, Connecticut.
Vice Commanders: *John A. High, New Hampshire; Dr. Deward H. Reed, New Mexico; Truman C. Wold, North Dakota; *Thomas W. Bird, North Carolina.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: Dr. Tom B. Clark, Oklahoma.
Historian: *Robert T. Fairey, South Carolina.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

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*Deceased.

37TH NATIONAL CONVENTION

Miami, Fla., October 10 to 13, 1955

Commander: Seaborn P. Collins, New Mexico.
Vice Commanders: *Leonard L. Jackson, Louisiana; Patrick H. Mangan, Jr., Vermont; Howard C. Kingdom, Ohio; Dr. Carl J. Rees, Delaware; Robert L. Shelby, Utah.
Adjutant: *Henry H. Dudley, Nebraska.
Chaplain: Rev. Albert J. Hoffmann, Iowa.
Historian: *Robert T. Fairey, South Carolina.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

38TH NATIONAL CONVENTION

Los Angeles, Calif., September 3 to 6, 1956

Commander: J. Addington Wagner, Michigan.
Vice Commanders: Guy Stone, Georgia; John G. Van Horn, Alaska; L. Everett Page, Texas; *Gilman H. Stordock, Wisconsin; James V. Day, Maine (resigned Jan. 1, 1956), succeeded by William J. Holliman, District of Columbia.
Adjutant: *Henry H. Dudley, Nebraska. (resigned), succeeded by *E. A. Blackmore, Wyoming.
Chaplain: *Rev. Joseph MacCarroll, New Jersey.
Historian: *Robert T. Fairey, South Carolina.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

39TH NATIONAL CONVENTION

Atlantic City, N.J., September 16 to 19, 1957

Commander: W. C. "Dan" Daniel, Virginia.
Vice Commanders: *Gaylor M. Brown, Iowa; George T. Lewis, Jr., Tennessee; *Carl R. Moser, Oregon; John P. Stay, Pennsylvania; J. Edward Walter, Maryland.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rev. Bernard W. Gerdon, Indiana.
Historian: *Robert T. Fairey, South Carolina.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

40TH NATIONAL CONVENTION

Chicago, Ill., September 1 to 4, 1958

Commander: John S. Gleason, Jr., Illinois.
Vice Commanders: *William A. Cottrell, Territory of Hawaii; Ramon R. Guas, Puerto Rico; Harry W. Miller, West Virginia; Lee A. Lemos, Rhode Island, *Isadore Levine, Indiana.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rev. Feltham S. James, South Carolina.
Historian: Mrs. Charles A. (Emily) Herbert, New Jersey.
Treasurer: *Neal Grider, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

41ST NATIONAL CONVENTION

Minneapolis, Minn., August 24 to 27, 1959

Commander: Preston J. Moore, Oklahoma.
Vice Commanders: C. D. DeLoach, District of Columbia; John W. Collins, Pennsylvania; James B. Kerrigan, Missouri; Robert Charles Smith, Louisiana; James C. Bangs, Idaho.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rt. Rev. Msgr. John J. Twiss, Massachusetts.
Historian: Mrs. Charles A. (Emily) Herbert, New Jersey.
Treasurer: Francis Polen, Indiana.
Judge Advocate: *Ralph B. Gregg, Indiana.

42D NATIONAL CONVENTION

Miami Beach, Fla., October 18 to 20, 1960

Commander: Martin B. McKneally, New York.
Vice Commanders: William A. Brennan, Jr., Indiana; A. Layman Harman, South Carolina; *Nate V. Keller, Minnesota; †Irven Frank Gianotti, Minnesota; Willard W. Brandt, North Dakota; *Charles C. McGonegal, California; ††Corydon T. Hill, California.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rabbi Robert I. Kahn, D.H.L., Texas.
Historian: Mrs. Charles A. (Emily) Herbert, New Jersey.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

43D NATIONAL CONVENTION

Denver, Colo., September 9 to 14, 1961

Commander: William R. Burke, California.
Vice Commanders: George K. Walker, Massachusetts; James M. Wagonseller, Ohio; Vincent J. Maxheim, Iowa; Dr. Harry H. Kretzler, Washington; R. C. Godwin, North Carolina.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: The Reverend Wm. H. Moss, Tennessee.
Historian: Glenn B. Hoover, Iowa.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

44TH NATIONAL CONVENTION

Las Vegas, Nev., October 5 to 11, 1962

Commander: Charles L. Bacon, Missouri.
Vice Commanders: *Walter W. Barnard, Montana; Edward T. Hoak, Pennsylvania; Wilson H. Morrison, Michigan; J. Milton Patrick, Oklahoma; Edward Wysocki, New Jersey.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rev. Father Robert G. Keating, Connecticut.
Historian: *Earl Davis Young, Colorado.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

45TH NATIONAL CONVENTION

Miami Beach, Fla., September 6 to 12, 1963

Commander: James E. Powers, Georgia.
Vice Commanders: Harold D. Beaton, District of Columbia; *James D. Doon, New Hampshire; Claude D. Hamilton, South Dakota; Paschal C. Reese, Florida; *Victor F. Whittlesea, Nevada.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rabbi Albert M. Shulman, Indiana.
Historian: H. Armand de Masi.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

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*Deceased.

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*Deceased.

†Appointed Sept. 14, 1960, to fill the vacancy created on July 25 by the death of National Vice Commander Nate V. Keller.

††Appointed May 4, 1960, to fill the vacancy created on Jan. 27, by the death of National Vice Commander Charles C. McGonegal.

46TH NATIONAL CONVENTION

Dallas, Tex., September 22 to 24, 1964

Commander: Daniel F. Foley, Minnesota.
Vice Commanders: Earl D. Franklin, Jr., Colorado; Emilio S. Iglesias, Vermont; *Garland D. Murphy, Jr., M.D., Arkansas; George Emory Sipple, Wisconsin; Harry Wright, Mexico.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rev. John J. Howard, Virginia.
Historian: H. Armand de Masi, Italy.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

47TH NATIONAL CONVENTION

Portland, Oreg., August 24, to 26, 1965

Commander: Donald E. Johnson, Iowa.
Vice Commanders: *David Aronberg, Kentucky; *Herbert D. Black, South Carolina; Ward W. Husted, Wyoming; Edward H. Lynch, Jr., Connecticut; *Joseph Paul, Michigan.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: Rev. Father Morris N. Dummet, Louisiana.
Historian: *Harold A. Shindler, Indiana.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

48TH NATIONAL CONVENTION

Washington, D.C., August 30–31 and September 1, 1966

Commander: L. Eldon James, Virginia.
Vice Commanders: *Dr. A. R. Choppin, Louisiana; William E. Galbraith, Nebraska; Robert O. Phillips, Philippines; William J. Rogers, Maine; Soleng Tom, Arizona.
Adjutant: *E. A. Blackmore, Wyoming.
Chaplain: The Rev. Alfred C. Thompson, New York.
Historian: *Harold A. Shindler, Indiana.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

49TH NATIONAL CONVENTION

Boston, Mass., August 29 to 31, 1967

Commander: John E. Davis, North Dakota.
Vice Commanders: Robert M. Fritz, Indiana; Lewis W. Emerich, Texas; Harry V. Klein, Jr., Pennsylvania; Frank L. Orfanello, Massachusetts; *James A. Tadlock, New Mexico.
Adjutant: Earnest N. Schmit, North Dakota.
Chaplain: *The Rev. Fr. Anthony J. O'Driscoll, New York.
Historian: *Harold A. Shindler, Indiana.
Treasurer · Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

50TH NATIONAL CONVENTION

New Orleans, La., September 6 to 12, 1968

Commander: William E. Galbraith, Nebraska.
Vice Commanders: Coleman Nolen, Oklahoma; Louis R. J. Malo, Rhode Island; Roscoe D. Curtiss, Tennessee; Dr. Edwin L. Petersen, Utah; Marvin W. Roth, Wisconsin.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Fr. Edward P. Nolan, Pennsylvania.
Historian: *Harold A. Shindler, Indinaa.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

51ST NATIONAL CONVENTION

Atlanta, Ga., August 22–28, 1969

Commander: William C. Doyle, New Jersey.
Vice Commanders: C. Russell Huber, Arkansas; *John A. Jones, West Virginia; Howard E. Lohman, Minnesota; Lewis E. McCray, Alabama; *Maurice R. Parisien, Maine.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. C. J. Olander, Mississippi.
Historian: *Harold A. Shindler, Indiana.
Treasurer: Francis Polen, Indiana.
Judge Advicate: Bertram G. Davis, New York.

52D NATIONAL CONVENTION

Portland, Oreg., August 28–September 3, 1970

Comander: J. Milton Patrick, Oklahoma.
Vice Commanders: Kent T. Lundgren, Michigan; Roland D. Marble, Mississippi; Raymond F. Mudge, New Hampshire; Earl R. Norgard, Oregon; Gilberto M. Font, Puerto Rico.
Adjutant: William F. Hauck, Indiana.
Chaplain: Father William D. Curtis, Minnesota.
Historian: *John A. May, South Carolina.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

53D NATIONAL CONVENTION

Houston, Tex., August 27–September 2, 1971

Commander: Alfred P. Chamie, California.
Vice Commanders: Claude Carpenter, Arkansas; May Hanson, Idaho; Robert E. L. Eaton, Maryland; Gabriel T. Olga, Massachusetts; John E. Gilbert, Pennsylvania.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Milton B. Faust, North Carolina.
Historian: Howard M. Swinney, Kentucky.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

54TH NATIONAL CONVENTION

Chicago, Ill., August 22–24, 1972

Commander: John H. Geiger, Illinois.
Vice Commanders: Harold W. Fann, Kentucky; Arthur M. MacCarthy, Florida; Roy Sweet, Vermont; Harry G. Wiles, Kansas; Wallace C. S. Young, Hawaii.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Paul J. Schwaab, Nebraska.
Historian: G. Greer McCallister, Ohio.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

55TH NATIONAL CONVENTION

Honolulu, Hawaii, August 21 to 23, 1973

Commander: Joe L. Matthews, Texas.
Vice Commanders: Tim T. Craig, North Carolina; *Sam Gray, California; Donald L. Gruenbaum, Ohio; Albert J. Moeller, New Jersey; Raymond J. Novak, South Dakota.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. L. P. Fitzpatrick, Iowa.
Historian: Mrs. Loretta O. Phillips, California.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

56TH NATIONAL CONVENTION

Miami Beach, Fla., August 20 to 22, 1974

Commander: Robert E. L. Eaton, Maryland.
Vice Commanders: John N. Roberto, Connecticut; Frank C. Brooks, Washington; Gilbert E. Sheeks, Indiana; Merrick W. Swords, Louisiana; N. E. Brown, South Carolina.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Jerome D. Fortenberry, Missouri.
Historian: R. Robert Filter, Wisconsin.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

57TH NATIONAL CONVENTION

Minneapolis, Minn., August 19 to 21, 1975

Commander: James M. Wagonseller, Ohio.
Vice Commanders: Boyd H. Clemens, North Dakota; Jack W. Flynt, Texas; Jay E. Harville, Tennessee; Donald H. Jeffery, Pennsylvania; William A. Lindsay, Montana.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Harvey T. Goodling, Oregon.
Historian: Nolie C. Deas, Sr., Florida.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

58TH NATIONAL CONVENTION

Seattle, Wash., August 24 to 26, 1976

Commander: Harry G. Wiles, Kansas.
Vice Commanders: John W. Adams, Jr., Kentucky; Fred W. Anderson, Jr., Nevada; Leo F. Malloy, Massachusetts; Thomas W. Miller, Arkansas; James F. Walker, Minnesota.
Adjutant: William F. Hauck, Indiana.
Chaplain: Rev. Claude E. Smithmier, Georgia.
Historian: Mrs. Dorothy Crimes, Colorado.
Treasurer: Francis Polen, Indiana.
Judge Advocate: Bertram G. Davis, New York.

59TH NATIONAL CONVENTION

Denver, Colo., August 23–25, 1977

Commander: William J. Rogers, Maine.
Vice Commanders: Lloyd J. Berken, Wisconsin; Thomas B. Coll, District of Columbia; Robert B. Grauberger, Colorado; Frank A. Kelly, Georgia; Wilbur Walker, Virginia.
Adjutant: William F. Hauck, Indiana.
Chaplain: Fr. James C. Tuxbury, North Dakota
Historian: Alton H. Carpenter, New York
Treasurer: W. Francis Polen, Indiana
Judge Advocate: Bertram G. Davis, New York

60TH NATIONAL CONVENTION

New Orleans, La., August 22–24, 1978

Commander: Robert Charles Smith, Louisiana.
Vice Commanders: Eugene V. Lindquist, Minnesota; Roger A. Munson, Ohio; John J. O'Connell, Rhode Island; Chester Phillips, West Virginia; Irving B. Selmer, Wyoming.
Adjutant: Frank C. Momsen, Minnesota.
Chaplain: Rev. Fr. Walter D. Power, Maryland.
Historian: Arnold J. Stockstad, North Dakota.
Treasurer: Webber LaGrange, Indiana.
Judge Advocate: Bertram G. Davis, Indiana.

PROCEEDINGS

TUESDAY MORNING SESSION — August 22, 1978

. . . The 60th Annual National Convention of The American Legion, held in The Rivergate Convention Center, New Orleans, Louisiana, on August 22-24, 1978, convened at 9:05 a.m., on Tuesday, August 22, 1978, National Commander Robert Charles Smith presiding.

. . . Prior to the Convention the delegates were entertained by a Band Concert, by the Oconomowoc American Legion Band, American Legion Post No. 91, Oconomowoc, Wisconsin, and organist Peter Ole.

NATIONAL COMMANDER SMITH: The 60th Convention of The American Legion will now come to order.

The delegates will stand for the Star Spangled Banner and will remain standing for the Pledge of Allegiance and the Invocation.

Color Bearers advance the Flag of the United States of America.

The Colors were posted by Jersey Chevrons Senior Color Guard, American Legion Post No. 40, Ridgefield Park, New Jersey.

. . . The delegates were led in singing of the National Anthem by the Singing Legionnaires, American Legion Post No. 15, Sioux Falls, South Dakota.

NATIONAL COMMANDER SMITH: Would you please uncover with me for the Pledge of Allegiance and the Invocation by the National Chaplain, Reverend Father Walter D. Power.

. . . The delegates stood and recited the Pledge of Allegiance.

INVOCATION

Reverend Father Walter D. Power (Maryland)
National Chaplain

We are meeting together for the 60th session of The American Legion, and as in the past and during the present and for the future, we will emphatically and resolutely and courageously continue our partnership for You, Father, and for our Country.

We do dare to care for our brothers and sisters, and we will not be swayed from our purpose by any pressures within or without for service to our comrades and for their care and dignity and the security of our country, for they are all bound up in our love.

Bless us in this Convention, bless our leaders, bless all of us in these days ahead for the work that must be done, through Christ, our Lord, Amen.

NATIONAL COMMANDER SMITH: Please remain standing so that we might dedicate ourselves to the work of this Convention, will you please join me in reciting the Preamble to The American Legion Constitution.

(The Preamble was recited.)

MEMORIAL SERVICES

NATIONAL COMMANDER SMITH: This morning we will participate in the Memorial Service for our comrades who joined the Post Everlasting. The service will be conducted by Degree Team of Robert H. Hoke, Post No. 272, Linglestown, Pennsylvania, George M. Wagener, commanding.

. . .Norman Myers conducted the ceremony, assisted by the Degree Team and Mike Euker, Soloist.

MEMORIAL PRAYER AND LIGHTING OF PEACE CANDLE

Reverend Father Walter D. Power (Maryland)
National Chaplain

How beautiful is death when earned by virtue. In Your hands, Lord, we commend the souls of these valiant men and women. In the eyes of many, their death was foolish and in vain, but in Your eyes, You saw nothing but love, love of You, and love of Country.

Eternal rest grant unto the souls of Thy servants departed. Grant them remission of all that they have done wrong and bring with You forever to Your heavenly throne, through Christ, our Lord, Amen.

NATIONAL COMMANDER SMITH: I know that you join in sincere appreciation to the Post Everlasting Degree Team for setting such an appropriate stage for this 60th Annual Convention.

I express to Commander Wagener and to his Post and to the Department of Pennsylvania our thanks and appreciation for this service.

NATIONAL ADJUTANT FRANK C. MOMSEN read the Call.

NATIONAL COMMANDER SMITH: It is indeed an honor and a privilege to introduce our next speaker, Lieutenant Governor Jimmy Fitzmorris, Lieutenant Governor of the State of Louisiana.

His outstanding career in public office serves as a model to everyone in the field of government.

A man of vision and a man with goals, Jimmy in his role as Director of the Department of Commerce and Industry has become Louisiana's number one promoter and salesman.

A man who puts in extraordinarily long hours at his job, an individual who really serves all the people of Louisiana, with whom he meets.

Last October, he came to Shreveport at my homecoming and presented me with a certificate as an Ambassador of the State of Louisiana while I travelled this year for you.

It is indeed my privilege to introduce a fellow member of The American Legion, a member of Pontchartrain Post No. 288, the Honorable James E. Fitzmorris, Jr., Lieutenant Governor of the State of Louisiana.

WELCOME

The Honorable James E. Fitzmorris, Jr.
Lieutenant Governor of Louisiana

I come this morning in two capacities; one, as the acting Governor of this State in the absence of our own Governor, and, certainly, in my capacity as Lieutenant Governor, and, secondly, perhaps most importantly, as a long-time member and supporter and friend of The American Legion.

We are honored that you are holding this meeting in our Great State. I want to particularly thank you for the great recognition you have given to one of our native sons, Robert Charles Smith, in electing him to the highest post in The American Legion, a very distinct privilege and a great honor.

We of Louisiana are very proud of our National Commander. We are proud, not only of his personal attributes but we are particularly proud of his one hundred percent Americanism.

I don't believe, my dear friends, that there was ever a time in the history of our Country when the role of The American Legion was more important than it is today. It is one thing for us to be willing to die for our Country but it's another thing for us to be willing to live for our Country. And if there was ever a time that America needed people to live that time is now.

There are some who feel that we in The American Legion go overboard because we have a deep, sincere and abiding love for our Country. Well, for those who have that feeling I personally can care less. Ours, without a question of a doubt, is the greatest Nation on the face of the earth. It gives every man and woman the right to succeed or fail, depending upon their own initiative.

The American Legion for a great number of years now has stood without question as the finest, the most effective, the most powerful Organization in the world, and it is imperative that we continue to maintain that kind of posture.

There are many who think that our Organization is outdated; there are many who think that our Organization is outmoded; there are many who feel that our Organization has no goals, no objectives, and no obstacles to overcome. You and I know that all of those things are wrong. You and I know that one of the great roles of leadership in The American Legion is our deep concern for our brethren, and I tell my friends all over the great width and breadth of this Nation that if we are ever feeling sorry for ourselves as a Country, then we ought to go to a veterans hospital, and we ought to see those men and those women who were willing to make tremendous sacrifices in order that we could be here, and I encourage The American Legion and its leadership to continue to help the veterans of this Country who need their help and support. The mind of man has a way of forgetting things that happen. There are many people who have forgotten World War I and World War II and the Korean conflict and the Vietnam War, but veterans haven't forgotten, veterans families haven't forgotten, and we have not forgotten the importance of the United States of America continually standing as the beacon of hope of the people of the free world.

So, I come as one, who like you, shares a deep love in America. I come as one, who like you, wants to continue to make my contribution. I come as one, who like you, is willing to stand up and die for America, but, more important, I am willing to live for America with every bit of strength and energy and intelligence that the good Lord has provided in me.

We appreciate your continued interest and regard to the interests we all have. We appreciate your presence here today, and I hope and I trust that the leadership of this great Organization shall continue to provide for us a strong policy of defense for America and a strong love of Country.

NATIONAL COMMANDER SMITH: Thank you, Brother Fitzmorris. We know in Louisiana of your dedication to your activities. We also know that you are a most dedicated member of The American Legion. We appreciate you being with us and bringing us these greetings.

From my travels of four or five years around the many Departments of this Nation, I was asked more times than I would care to count, "When are you going to have another Convention in the great Host City of New Orleans?" I told them that it would be forthcoming.

In providing a welcome for you we are most pleased at this time to have representing the City of New Orleans its Mayor. A native New Orleanian, he is a graduate of Louisiana State University's Law School, and served with the Army Intelligence Corps.

A former Assistant United States Attorney, he served in the Louisiana House of Representatives, as Judge of the Orleans Parish Juvenile Court, and as Judge of the Fourth Circuit Court of Appeals before his election to the office he currently holds.

He has served in the House of Delegates of the Louisiana State Bar Association, been elected to Who's Who in American Politics and is also listed in Who's Who in the South and Southwest and is a member of the Board of Governors of the Tulane University Medical Center.

It gives me great pleasure to present to you the Mayor of New Orleans, Ernest N. "Dutch" Morial.

WELCOME

The Honorable Ernest N. Morial
Mayor, City of New Orleans

We are indeed honored that after a decade you have chosen to return to the great City of New Orleans. For those of you who were here 10 years ago you will find a change in our City, where there has been a renewed vigor for a blending of old world charm with new world technology, a City that nestles in the bosom of the Gulf of Mexico and at the vortex of the great Mississippi River; a City that leads in energy technology; a City that is proud to boast of the world's third largest port.

For those of you who are here for the first time, we ask that you participate in all that this great City has to offer. We know that your stay here will be a pleasant and productive one, and that over the course of the next several days your deliberations will be directed to the problems that face this great Nation, the problems of the underclassed in America, the deficiencies that exist throughout this Nation and the domestic problems that confront us, while most assuredly concerning ourselves with the role of this Nation as a world leader, because in the Legionnaires of this Country and of the world yours is the personification of the things that make a Nation great.

All of the strength and character of this great Nation of ours is reposed in those of you who are present here for this Convention, and the more than 590,000 citizens of this City welcomes you with open arms and implore you that over the next several days while you are at work concerning yourselves with your responsibilities as Legionnaires and as good citizens, that you address yourselves in a deliberate rational fashion to all of the urban domestic problems facing this Country and the international problems facing the Nation and the world.

We know that you will do that, and most assuredly when you do it under the able direction of your National Commander.

PRESENTATION OF HONORARY PETITION OF CITIZENSHIP

City of New Orleans

Commander Smith, at the same time on behalf of all of us in the City of New Orleans, and to welcome you back to New Orleans and hope that you will return again in less than 10 years, I'm happy to bestow upon you this Honorary Petition of Citizenship in the City of New Orleans.

COMMANDER SMITH: Thank you, Mr. Morial. It has been my privilege, as I have travelled the various Departments and States, on occasion to receive honorary certificates of citizenship. Sometimes I ask the question that since it hasn't been stated that I am certain that I will be taxed greatly. Mayor Morial, it is indeed a pleasure to have you with us and I wish to present to you our Distinguished Guest Badge.

Each of our states and each of our Departments has one to lead each year, and I am pleased this morning to present next on our list an individual who entered the United States Army in 1943 and served in the South Pacific as a front line soldier. He was wounded twice, is the recipient of the Bronze Star and was discharged in December, 1945.

He joined The American Legion in 1959 and has been an active member of his Post and District. He is a life member of Jefferson Post No. 267. For outstanding accomplishments during his year as District Commander, he was named "Mr. District Commander" by the National Organization.

He is an active member of several civic and benevolent organizations.

He is married and has three daughters and five granddaughters and twin grandsons.

Ladies and gentlemen, fellow Legionnaires, the Immediate Past Department Commander of The American Legion of Louisiana, and a member of the "We dare to Care" Team Commanders for his membership accomplishments, Philip Mayeaux.

WELCOME

Philip J. Mayeaux (Louisiana)
Past Department Commander

On behalf of The American Legion and its Auxiliary it is indeed a pleasure to welcome you once again to Louisiana and the City of New Orleans. We hope you will have time to visit some of the many historical areas of interest in and around the City of New Orleans and enjoy our good southern hospitality and sample our southern cajun cuisine.

We in the Department of Louisiana have been looking forward to being your host on your 60th National Convention. Now that you have arrived we want you to feel at home, feel free at any time to call upon the Louisiana Legionnaires and the Auxiliary for any assistance that you may need.

Commander Smith, the Department of Louisiana, your own Department, congratulates and thanks you for the great leadership for this past year. We are proud of you. We know that you will have a great Convention.

NATIONAL COMMANDER SMITH: To put on a National Convention, those of you who are from the Host Cities that have hosted Conventions before, know that much planning and effort must go into the organization. It is my privilege to present one at this time who is currently serving as President of The American Legion First District Convention Corporation, the people who have put this Convention together for us here in New Orleans. But the leadership of the Convention Corporation is not the only blue cap he wears for The American Legion. His advice and counsel as a member of the Advisory Committee to the National Commander has been invaluable, as well as his service to this Organization as a member of the Finance Commission.

Active in The American Legion since his discharge from military service following World War II where he participated in the European invasion and campaign and received the Purple Heart, our speaker has served his Post, District and Department as Commander, as National Executive Committeeman, National Chairman of The American Legion Fiftieth Anniversary

Committee and Chairman of The American Legion Life Insurance and Trust Committee. He has found time to be involved and active in civic affairs here in his home town, and has served on the Mayor's Advisory Committee, as a Board member of the Chamber of Commerce, Chairman of the Grand Jury, Vice President of the Exchange Club and was Chairman of the Cameron Relief Fund which established The American Legion Hospital in Cameron, Louisiana.

If I were to recount all the acts of service that this man has provided to his community and this Organization, we would be here the remainder of the day. It is my extreme pleasure to present to you a great Legionnaire, but above all, a very personal friend of mine, Albert V. LaBiche.

WELCOME

Albert V. LaBiche, President
First District Convention Corporation

I want to give you a warm welcome to New Orleans, as President of the National Corporation.

I think that we told many of you at many of your meetings, we will do everything possible to make your stay at this Convention in New Orleans a pleasant one. I hope my Committee, who are represented on everything, can do that. If anybody has any complaints, they don't like something, please let me know, we will try and correct it. Again let me wish you a very pleasant stay.

I want to make one special announcement. As Secretary of the Past Commanders Club we have a luncheon today right across the street from here. It will start immediately following the session today. If the session ends at 12:30 we will no doubt be 10 minutes late. If it ends at 1 o'clock we will be 10 minutes late.

All of you Past Department Commanders just walk right across to the President, come aboard and have a very pleasant trip down the river, and have a pleasant luncheon and a very excellent meal.

I am thrilled today to have your group here with us, and I am sure we will do everything to make your stay a pleasant one.

RESPONSE TO ADDRESSES OF WELCOME

NATIONAL COMMANDER SMITH: Governor Fitzmorris, Mayor Morial, Past Commander Mayeaux, and President LaBiche.

Gentlemen, your warm words of welcome to the thousands of Legionnaires, Auxiliary members and sons of The American Legion members attending this Convention will make this, our third visit to the Crescent City, memorable for each of us in the years to come.

But more than that, the kind welcome the citizens of New Orleans and Louisiana have given us, the assistance, the beautiful scenery, the French Quarter, and the bayou country have all contributed to our feeling of joy at being able to visit with you again.

As a native Louisianan, from the extreme Northwestern part of our State, I am proud to be able to preside over this Convention in this City.

NATIONAL COMMANDER'S REPORT

Robert Charles Smith (Louisiana)
National Commander

As I render to you a brief accounting of my term as your National Commander, it occurs to me that this year has brought me full cycle. I began it as a native of Louisiana, and this National Convention brings me back home.

I welcome all of you to my home Department for this the third American Legion National Convention to be hosted by the Crescent City of New Orleans. We go all the way back to the cradle days of The American Legion for the initial National Convention to be hosted by this historic City, which was our fourth Annual National Convention in 1922.

New Orleans is a historic spot for The American Legion as we observed our Golden Anniversary Year with our 50th Annual National Convention here in 1968, and now we near the completion of six decades of service to God and Country with this 60th Annual National Convention.

Think of it for a moment, six decades of service to God and Country, to our fellow veteran and to our fellow man, and here we will prepare to embark upon our seventh decade of similar service. This is a remarkable record. Many organizations do not endure that long, let alone retain their effectiveness.

The retention of effectiveness is one of the things I want to spend some time on this morning. I began this year with the glowing hope and the firm determination that my year would be a year of membership gain for The American Legion nationally. The greater portion of my first seventy days in office was given to a special membership effort and things looked quite good for a long time.

The prospects for a gain at this point are not quite so bright but I believe we could have achieved it if each of us had given one hundred percent effort during the year.

If we are to retain the effectiveness of The American Legion where it counts, in our home communities, and in the halls of Congress and the State Legislatures, in the programs which we provide for the youth of America, in our efforts on behalf of America's veterans, and in all the great programs we have carried out so well for so long, we absolutely must have the membership strength to do the job.

Our potential is there. In the past two decades nearly 7,000,000 men and women have been added to the reservoir of eligibles for American Legion membership. Yet, in about that same period of time we have lost approximately 1,200 American Legion Posts. Our membership has reached a plateau and has held fairly stable over a number of years.

But, this is the time for growth. This is the time for adding the strength of numbers to our ranks to enable us to serve as effectively as we have in the past. This is the time for bringing concerned, eligible young men and women into The American Legion and, yes, there is still a goodly number of eligibles in the World War II age group who have much to give to The American Legion and much to gain from membership if they would join ranks with us.

I appeal to all of you to make The American Legion story known to all of them. I believe once they are made aware of what The American Legion is all about they will join with us in large numbers. In the meantime we must maintain the programs that are attractive to them and we must be prepared to receive them into active membership.

When I say we must be prepared for them, I mean we must be able to direct them to an active Post convenient to their homes. I have come to the full belief that our new Post program is an issue we must face squarely if The American Legion is to continue as a strong, vibrant force for good in America, and I am fully confident we shall remain a force for good in America, and I am fully confident we shall remain a force for good for long years to come.

I believe that our willingness to face up to the real need for the new Post program, now and through the next decade, may well determine the fate of The American Legion.

I have noted during my travels all too often those very active Legionnaires who truly believe in the ideals of The American Legion take a back seat when it comes to the new Post program.

You are the very people who should be in the forefront of the new Post movement. Don't sit back with the old "Let George do it" philosophy. We can't depend on George any more and we, as leaders of The American Legion simply have to pick up where George quit, and go out and do the job ourselves.

When we accepted leadership roles in The American Legion we accepted responsibilities to the Organization and to its membership. Now we must see these responsibilities through. We can best do that by building an even stronger American Legion — an American Legion that can help put a stop to what seems to be a National trend of apologetic benevolence toward foreign dictators — an American Legion capable of helping to maintain a separate Veterans Administration Hospital-medical system and we must succeed in this one or we could be witnessing the beginning of the end of the V.A. — an American Legion that can be a guiding force in the movement to strengthen our national defenses — an American Legion which is more vitally involved than ever in community service in every community across this great land. The service we can provide to our home communities should be tailored to fit the community's needs.

We can, and we will do it. I envision a growing American Legion because I know you, the leaders of this Organization, will join with me in accepting this challenge. Now let's look for a moment at some of the major events of the year in which I have been privileged to serve as your National Commander.

We waged an all out campaign against the Panama Canal treaties. Unfortunately, the treaties were ratified over our staunch opposition. There was no question in anyone's mind as to where The American Legion stood on this issue. Just to mention the Panama Canal brings to mind a point which I feel important enough to bring before this Convention. I want to thank all of you for the strong, grassroots support you gave to us on the Canal issue. I asked for it upon my election and you delivered.

I am, however, truly disturbed over the votes on the Panama Canal treaties because, if we are to believe the public opinion polls have any validity, it would seem in this instance that we witnessed a breakdown in our system of representative government.

The polls would indicate the outcome of the action of the canal did not truly represent the will of the majority of the American people, certainly not the will of The American Legion.

All of us recognize the nature of our Congressional Charter which says The American Legion is a non-political organization. We intend to live by the provisions of our charter. Nothing I am about to say should be construed as being of a partisan political nature.

However, there is nothing in any law anywhere that says individuals of organizations should not be politically knowledgeable. In fact, quite the opposite is true when we consider that those whom we elect to public office are our representatives and, as such, we have not only the right, but the responsibility to know our candidates for public office at all levels.

I would urge you to really know your candidates when next you go to the polling places. An informed electorate with a real knowledge of the candidates is the only way to insure that we will have a responsive and responsible representative government.

I am not suggesting anyone vote for a party label. All I am saying to you is, take this message home and impress upon all those whom you represent the importance of knowing their candidates for public office and their positions on those issues that are important to them. It is the office holder and his or her philosophy and integrity which count over and above any party label.

This is a matter that has been on my mind for some time, and I have thought about it often enough and long enough to consider it worth bringing to the attention of this Convention.

All of you also are aware that we have been deeply involved this year in the problem of Veterans Preference in Federal hiring. The Administration has made the Veterans Preference issue a central point in its plan to overhaul and streamline the bureaucracy. We don't quarrel with the principal of making the Federal government more efficient, in fact, we applaud that effort. However, we don't believe Veterans Preference is in any way the cause of the present predicament, and we don't believe elimination of a hard won veterans benefit, one which still is needed by many veterans of all eras of warfare, will help solve any of the government's problems.

The American Legion will continue its struggle to retain veterans benefits at the Federal level. Many states and some smaller units of government use Veterans Preference practices. It could do irreparable damage to the program at all levels if it should be eliminated by the Federal government. We are prepared to fight this issue every step of the way and if your new Commander should require your assistance from the grassroots level I know you will be with him just as you have been with me.

In other important areas of veterans benefits we are moving ahead and in a most positive manner. By overwhelming majorities the House has passed three important bills which meet American Legion mandates and which would overcome most of the veterans affairs problems that have been brought to my attention in my travels about the Country. One bill would establish an income floor geared to Social Security hikes and will insure that no needy veteran will have his or her pension reduced or eliminated because of increases in Social Security benefits. It also would tie future pension adjustments to the consumer price index thus avoiding the annual period of waiting and worrying by the pensioner who is disturbed, until Congress acts, about whether he or she will have enough money on which to live.

Another bill would increase service connected disability payments by 6.5 percent and a third measure would provide for dependents of veterans receiving disability compensation of forty percent or more to receive allowances. The current allowance is for those rated at fifty percent or more disabled.

We fought a good fight in the cause of national security and we believe our effort was instrumental in the House Armed Service Committee restoring $2.48 billion to the defense budget, which will provide the Navy with a new nuclear powered carrier and restore some other essentials we believe necessary to our national defense.

There is a great deal more that could be said here, but we have a busy agenda this morning and in the interest of time we must get on with work of this Convention. In closing I want to say that when I leave office as National Commander my American Legion obligations will not be over. I feel an obligation to all of you to continue to share my experiences and accept my share of the responsibility for the continuation of The American Legion as a force for good in America.

NATIONAL COMMANDER SMITH: Our next speaker is directly responsible for carrying out the mandate of the Congress when it comes to the needs of America's nearly thirty million veterans of military service. His agency, one of the largest in the Federal government, works closely with many of you as we attempt to upgrade the quality of care and the programs available to our members and all of the nation's veterans.

A highly decorated disabled veteran, he won the Silver and Bronze Stars in Vietnam, served in the Senate of his home State of Georgia, and was a highly respected member of the staff of the Senate Veterans Affairs Committee prior to his nomination by President Carter to head the Veterans Administration.

A former patient in the VA Hospital system, he is in a unique position to provide the impetus for change and improvement in the way health care and other services are provided to veterans.

I am pleased to present to you, Mr. Max Cleland, Administrator of Veterans Affairs.

GREETINGS

Max Cleland
Administrator, Veterans Administration

My job this morning is to bring you greetings from the 230,000 employees of The Veterans Administration. We are proud to be with you today, and be in support of this, the largest Veterans Organization in this Country.

I want to say to you that it is a special privilege for me, as a Legionnaire, to be here with you today.

A year ago, I mentioned that the Georgia Delegation had signed me up as Legionnaire some six years ago. Ever since then, during those six years they have been on a quiet and solid campaign to get me to do one thing I never thought I would. But they gave me the opportunity this week to do it. They gave me a little gift, and somehow, I would like to officially put on my Legion Hat.

Let me say that the Georgia delegation not only gave me my hat, a few months back, they gave me the opportunity to taste a little Billy Beer.

I see some of you have had that unfortunate experience. I want you to know that it is absolutely terrible, so bad in fact, that I had the opportunity to send a small sample over to the VA Hospital there in Washington, D.C. to get it analyzed. Two days later, the report came back and said, "Dear Mr. Administrator, we are sorry to inform you, but we think your horse has diabetes."

Let me say that the Veterans Administration is in its 48th year. Two years from now in 1980, we will be celebrating our 50th Anniversary. We look forward to working with each of you to make that a most momentous event. But we are indeed in our 48th year, and our budget is as large as it ever has been, and we are treating more people in our VA Health Care System today than we ever have before.

Over the last 10 years, the VA Health Care System has changed dramatically. The length of stay has been cut in half. The number of in-patients we treat has doubled. The number of out-patients we treat has tripled.

The Commander mentioned less quality of care, and that is something that we, in the Veterans Administration take very seriously. But I personally think we are entering a new era where not only the quality of care, but the quality of life is important. I say that as a former patient in the VA hospital system. The quality of care is important, but the quality of life is just as well.

We are embarking on an effort in the VA to make your stay in the hospital system, or nursing homes, or domiciliaries not only one that delivers quality from a protectional standpoint, but one that delivers human sensitivity and compassion, and meets the quality of life standards as well.

So my thought to you is that in the future, we shall be pursuing not only quality of care, but quality of life as well.

Our veteran benefit structure continues to run at the rate of some 12 to $13 billion each year. The Commander alluded to the fact that the changes in the pension program that are in the offing, and this year, should see a pretty dramatic change in the way the pension program is run.

We in the Veterans Administration the last couple of years did a study on the pension program, and found that one-third of those who receive pension benefits go below the poverty level. The Administration supports, and Congress is about to enact a change in law to make it possible for a veteran and his survivor to live above the poverty level on the pension program.

I appreciate the support of the Legion in this regard.

Another thing about Legion support, this organization has been most supportive in one other area. The President felt very strongly that the Congress should lift the embargo on arms to Turkey, rightfully so, because Turkey is a member of the NATO Alliance, and that embargo was lifted by only three votes. The Legion was a crucial factor in supporting that effort, and I want to commend you on that, today.

Let me say that one of the newer missions of the Veterans Administration has been the administration, since 1973, of the National Cemetery System. We hope in the next few years to double the number of gravesites available to the veterans of this Country.

We are currently in the middle of a program to put together five new national cemeteries, each of which is larger in size than Arlington, and when that program is complete, there will be at least one new national cemetery in each Federal Region.

Let me say that we in the Veterans Administration appreciate one other aspect of the Legion's support. That is your constant support of the voluntary programs. We literally could not run our hospital system without you. People like you volunteers, like those that come from this Organization, contribute more than 10 million hours each year to veterans who are hospitalized. And we have translated that into dollars, and find that if we had to pay for that kind of service, it would cost us between 40 and $50 million a year to match that commitment. To those of you who continue to support actively our volunteer program, I speak for all the 72,000 veterans who will go to bed in the VA hospital tonight and say, thank you so much.

Let me just say that it is quite an honor to be a Legionnaire, quite an honor to be the Administrator of the

Veterans Administration. I found it a tremendous challenge, one that occupies my full time.

Since we last met, I travelled some 75,000 miles across this Country. Also, since we last met, there was a TV program called "60 Minutes" at the end of which they chose to play a recording of a prayer that I had read to a group of Spanish-American War veterans in Northern California, and I would just like to close with that prayer.

I asked God for strength that I might achieve. I was made weak that I might learn how to obey.

I asked for help that I might do greater things. I was given infirmity that I might do better things.

I asked for riches that I might be happy. I was given poverty that I might be wise.

I asked for power that I might have the praise of men. I was given weakness that I might feel the need of God.

I asked for all things that I might enjoy life. I was given life that I might enjoy all things.

I got nothing that I asked for, but everything that I hoped for. Almost despite myself, my unspoken prayers were answered. I am, among all men, most richly blessed.

PRESENTATION

NATIONAL COMMANDER SMITH: If you would remain up here, sir, for just a moment.

As you all know, I have travelled and represented The American Legion this year, and you know that The American Legion is dedicated to continuing the Veterans Administration as the one Federal agency which administers all programs, hospitalization rights and benefits for the veterans. We will continue that pledge to our members and to the veterans, and we appreciate your support.

We appreciate your cooperation as the Administrator.

Mr. Administrator, through the facilities of this particular podium, we have just recorded your address before the National American Legion Convention in New Orleans, Louisiana, on August 22, 1978, and I am privileged to present this to you, sir. However, before I present it, it is my understanding from some of your fellow citizens from Georgia, that we would need to wish you a most happy 36th birthday this Thursday.

. . .At this time National Commander Smith presented Administrator Cleland a cassette tape of his speech.

NATIONAL COMMANDER SMITH: Distinguished guests, ladies and gentlemen, we will now extend thanks to Denver, Colorado for hosting our very successful 1977 National Convention in August last year. I think it was successful, because I was elected there.

To present the medallion to the City of Denver, I am pleased to call upon the individual who presided at our 59th Annual Convention, Past National Commander Bill Rogers of Maine.

PRESENTATION OF MEDALLION TO THE CITY OF DENVER, COLORADO

By: William J. Rogers (Maine)
Past National Commander

To: Paul Rodden (Colorado)
National Executive Committeeman

In accordance with The American Legion tradition established in the very early days of our Organization's history, it becomes my pleasant privilege to present to the City of Denver, Colorado, the medallion of the 59th Annual National Convention conducted in the mile-high City in August of 1977.

As National Commander of The American Legion at that time, it was my pleasure to preside over that Convention, and I'm sure all of those of you who are here that were in attendance at our Denver Convention will recall the fine hospitality and the excellent Convention facilities that were made available on that occasion.

It was not the first time for Denver to be the Host City, but each time we returned to a major city with our National Convention, there are newer and finer facilities, and people remember what is necessary to accommodate a major Convention.

We are grateful to the officials of the City of Denver and to all the people of that great City who made us feel at home and helped to make that Convention the great success that it was.

We recognized the warmth and friendliness and substantial assistance given to us to help take care of our every need, with the presentation of the official American Legion Convention Host City Medallion to Denver as a token of our heartfelt appreciation for a job well done on our behalf.

Unfortunately, the Mayor of Denver could not be with us on this occasion, but fortunately he has designated a very able stand-in to accept our medal.

Our own Paul Rodden, National Executive Committeeman of the great State of Colorado is here to accept on behalf of the City of Denver, and Paul, it gives me a great deal of pleasure to present to you, and to be relayed by you to the City of Denver, our official 1977 National Convention Host City Medallion.

MR. PAUL RODDEN: I am really terribly sorry that the Mayor, William H. McNichols, Jr., was unable to be here to accept this medallion from The American Legion.

On the other hand, it is indeed a pleasure to be asked to represent him and receive it on behalf of the people of the City and County of Denver.

But I would be remiss if I did not also accept it on behalf of the Department of Colorado, because it was Legionnaires throughout the State of Colorado who joined to make that Convention the success that it was. The people were friendly. We kept the Legion and the Auxiliary only a half a block apart, and that was a unique thing in recent years. We had a joint Legion and Auxiliary Banquet. This was the first, and it was in my opinion, very successful.

We also made more money than anyone except Hawaii, and that allowed us to pay off the mortgage on the Department Headquarters Building.

But I want to acknowledge two people, who without which we could not put on that Convention. First, that superior organizer of Conventions and of people, Bill Miller, and also August Tribelhorn who entered this field in the wide breach as President of the Corporation in an emergency.

Of course, I want to thank the Legionnaires who worked long and hard to make it such a success.

Therefore, on behalf of the people of Denver and the Legionnaires of Colorado, I want to thank you, Bill, for this medallion, and for the splendid cooperation from all the Legionnaires throughout this land. They made the Denver Convention what it was, one of the best ever. Thank you very much.

NATIONAL COMMANDER SMITH: Ladies and gentlemen, I would like to call to the podium at this time Mr. Jack Llewelyn, retired Second Vice President of the Occidental Life Insurance Company, who will make a special presentation on behalf of the company to The American Legion.

PRESENTATION

John A. Llewelyn (Ret) Occidental Life Insurance Company of California

It gives me a great deal of pleasure and I consider it a real honor to be back at this podium after 10 years, to mark a real milestone in the history of The American Legion Life Insurance Plan.

For those of you who are not too familiar with the program, let me briefly tell you that a little over 20 years ago, the then National Commander of The American Legion, asked a friend of his who all of us have very great confidence in, a man who I consider to be one of the outstanding insurance men in the United States, Mr. John Brogan, if he would make a canvass of the 10 largest insurance companies in the world to determine if they would care to underwrite a program of life insurance, based on specifications laid down by The American Legion itself.

It is my understanding that the only company that was willing to pioneer in this project then and remember, we are talking a little over 20 years ago, was the Occidental Life Insurance Company of California. They came up with a program aided by U. S. Life Insurance Company in the State of New York, and then they brought it to the attention through Mr. Brogan to the National Commander, and then to the National Executive Committee.

Suffice to say the program was passed, and while if you have not as yet noticed that in the National Program on Page 112, there is quite a breakdown of the program. I would like to confine my remarks to you today, to tell you who your representatives have been, who have really controlled the destiny of that program. The first Chairman of The American Legion Life Insurance and Trust Committee, which Committee was appointed and works under the National Finance Commission actually provides the guidance and supervision of the program. It was first headed by the great Legionnaire from Missouri, the late Jerry Duggan, followed in turn in the Chairmanship by the late Judge Levi Hall from Minnesota; then William Todd of Pennsylvania, Albert LaBiche of Louisiana and Harold E. Heinly of California.

I am dealing with people, because we have always felt that people are really our most important product, and they are your representatives who are following the program.

In addition to this Life Insurance Committee, there were two special Committees appointed by the National Commander, one headed by Bill Todd, who I mentioned before, and the other by E. Roy Stone, that great Legionnaire of South Carolina.

Ladies and gentlemen, perhaps over the 20-year period the greatest benefactors of The American Legion program have been not us who are here, but the beneficiaries of the deceased Legionnaires for whom actually the program was meant. I can sum up briefly by saying that during this period over $26 million has been paid to beneficiaries of The American Legion program showing the farsightedness of those who started the program.

So, National Commander Smith, may I present to you this plaque. For those of you in the audience who obviously can't read, it says, "Occidental Life Insurance Company of California congratulates The American Legion for 20 years of providing the group life insurance program for the benefit of Legion members, signed April 1, 1978" by Meno T. Lake.

NATIONAL COMMANDER SMITH: Thank you, Mr. Llewelyn, for that presentation.

As you know, The American Legion Life Insurance Program is one which gives additional service to our veterans and to our members.

A few minutes ago, it was my privilege to present a tape of the speech which Max Cleland made to the Convention. We are privileged today to be using a podium and the facilities which are connected with it, which has the capability of recording a speech and giving the tape to the individual, and that comes about through the cooperation, and I would say, the generosity of the individual whom I am going to make a presentation to, and then introduce to you for remarks.

But we are privileged to be using this podium which has been provided by Mr. Victor Bussie, who is President of the AFL-CIO of Louisiana.

PRESENTATION

By: National Commander Smith

To: Victor Bussie, President, AFL-CIO

It is my privilege to present a certificate of appreciation to Victor Bussie, President of the AFL-CIO State of Louisiana for the consideration, devotion and service rendered to the 60th National Convention of The American Legion held in New Orleans, Louisiana, August 18 to 24th, 1978. It is signed by Albert LaBiche, President of the First District American Legion Convention Corporation, and bears my signature as National Commander.

Our next speaker this morning is the State President of the American Federation of Labor, Congress of Industrial Organizations in Louisiana. Active in the Labor Movement since he was first sworn in as a firefighter in Shreveport. He rose through the ranks from hoseman to Chief of the Fire Prevention Bureau. From 1947 to 1956 he was President of the Shreveport Fire Fighters Association, a position to which he was elected in 1946 upon his return from active duty in the United States Navy.

He assumed the State Presidency in 1956. Our guest is active in civic and governmental affairs as well as his International Union affiliations. He is a member of the Advisory Council on Mental Health for the Louisiana Department of Hospitals, the Louisiana Health and Human Resources Administration Advisory Board, the Louisiana Commission on Governmental Ethics, and the Louisiana Highway Safety Commission.

He is a member of the Democratic National Committee Charter Commission and Committee on By-laws, the American Public Health Association, the American Social Health Association, the American Public Welfare Association, the Board of Directors and Past President of the Louisiana Association for Mental Health and the Mental Health Association for Greater Baton Rouge, as well as a member of the Board of Directors of the Louisiana Council for Music and the Performing Arts.

It is my supreme pleasure to introduce to you the President of the Louisiana AFL-CIO, a great Legionnaire, Victor Bussie, its President.

MR. VICTOR BUSSIE: Before I deliver the remarks that I was asked to deliver today, I want to first state to this Convention, as a Louisiana citizen, that we are happy to have you here, and hope that you enjoy your Convention, and you come back at any time.

I have been asked today to deliver a message that was supposed to have been delivered by George Meany, the President of the National AFL-CIO. Speaking for President Meany, he says:

It gives me great pleasure on behalf of the AFL-CIO to extend greetings and best wishes to the delegates and guests attending The American Legion's 60th Annual National Convention.

I wish it were possible for me to present these greetings in person. Unfortunately, my schedule requires me to forego the delights of New Orleans, and I have therefore asked my good friend, Victor Bussie, to present these words for me.

One of the reasons I had hoped to be able to appear before you is that I know that among your ranks are many members of the AFL-CIO. This should come as no surprise. After all, when the peace breaks down, it is the working people of this Country who are called upon to fight wars.

So whatever differences we may have on other policy matters, we share a common interest in maintaining peace. And, like The American Legion, the AFL-CIO believes that the surest force for peace in this world is a strong America, second to none.

I would like to take this opportunity to tell you something about some of the basic principles, some of the philosophy, that underlie the AFL-CIO's outlook on world affairs.

First of all, we start out with a vested self-interest, if you want to call it that, which we are not afraid to declare: We have an interest in the development of free trade Unions throughout the world — not only on the moral grounds that all workers should have some of the good things in life that we have won here in America, but also on the economic grounds that we don't want unfair competition from workers earning 50 cents or 75 cents an hour. We can't compete with those wages and still support the American standard of living.

Now, in order to have Unions, you have to have a climate in which human rights are respected. Without the freedom to assemble, to associate, to speak, and yes, to strike, workers cannot establish or sustain effective Trade Union organizations. Human rights are the life blood of Trade Unionism.

So, long before President Carter launched his human rights campaign, the AFL-CIO urged that the promotion of human rights throughout the world be undertaken, not simply as a moral crusade, but as an essential, integral part of our nation's foreign policy.

In the final analysis, what should be the goal of our foreign policy, if not the reversal of the totalitarian tide and the expansion of the democratic world community? Take this away, and what have we left as a worthy object of foreign policy? The protection of private business investment abroad? Is that a goal that can justifiably claim the lives of workers and their sons?

So, as far as the American Labor Movement is concerned, the advancement of human rights and material well-being are not only the proper business of American foreign policy but should be its centerpiece. It is our trump-card.

We were, therefore, delighted and encouraged when candidate Jimmy Carter made human rights a theme of his Presidential campaign and then, after his election, made a number of dramatic pronouncements that focused world attention on human rights as an International issue and helped to restore meaning to the American foreign policy position.

For those actions we have repeatedly applauded the President. We have defended him against those in both parties who have criticized him for speaking out too loudly against Soviet violations of human rights, and we have noted that some of those critics would not apply the same "quiet diplomacy" to those of our allies whose human rights records are wanting.

Of course, we believe the President's words and his deeds should match. Otherwise, the language of human rights, which has inspired millions, would turn sour and a great opportunity to shift the moral balance of power toward the West would have been lost.

Some would prefer the President to scale down the rhetoric. We prefer to raise our deeds to the level of our democratic commitment — in other words, to do what we say.

In recent months, the Soviet Union has cracked down mercilessly on those of its citizens — like Orlov, Shcharansky, and Ginzburg — who have demanded that their nation live up to the human rights provisions of the agreement it signed in Helsinki. It is clear that one of Mr. Brezhnev's objectives in this crackdown is to get rid of the dissident movement, at least in Moscow, before the 1980 Olympics.

But it is also clear that the jailings of Orlov, Shcharansky, and Ginzburg — as well as the incarceration of Vladimir Klebanov in a mental institution for trying to form a free workers movement — these acts not only violate the rights of the individuals involved; they violate a solemn international agreement which the Soviet Union signed with the United States and 33 other countries in Helsinki.

What has been the response of our government to these repeated violations of Helsinki?

Have we yet said that, if the Soviet Union continues to violate the human rights provisions of Helsinki, we will not feel bound to respect the other provisions? No. In effect we have declared ourselves to be unilaterally bound by the Helsinki accords.

Have we yet said that, in view of the Soviet government's refusal to live up to the Helsinki agreement, we shall reconsider the advisability of entering into another agreement with them — on SALT? No. So far, we have said in effect that we are determined to sign a SALT agreement no matter what — and without regard to the issue of trust, of credibility.

Have we yet said that we will use all our technological and economic leverage to press for Soviet compliance with Helsinki? No. After first considering cancelling the sale of oil drilling technology, the President decided to go ahead with the sale — thereby giving the Soviets the indispensable tools to develop their Siberian oil resources at the very time they are moving in on the Middle East oil that Europe and Japan desperately need.

So far, our only response to the barbaric trials of Soviet freedom fighters, aside from cancelling some official visits to Moscow, has been to stop the sale of Sperry-Univac computer to TASS.

Now, I am not against signing agreements with the Soviet Union. I am not against negotiating with the Soviet Union. But I can tell you, as a Trade Unionist of more than half a century's experiences, that if our Labor leaders negotiated with employers the way our government has negotiated with the Soviets during the last 10 years, the rank and file would throw us out and justifiably so.

When we sit down at the bargaining table, we go tit-for-tat. We concede, the boss concedes. We give, he gives.

But that's not the way the U.S. has dealt with the Soviet Union. There has been no reciprocity. We give, they take.

Everything in my experience tells me that erosion of the principle of reciprocity, steady accommodation to totalitarian power, if not checked will lead to war. Twice before in our century, appeasement led to war. If it happens again, it will be the last time. Thereafter the planet earth will repose in the peace of the graveyard.

I believe we should tell the Soviet Union, for starters, that we will not be complicit in their effort to create a dissident-free environment for the 1980 Olympics. The AFL-CIO has called for moving the 1980 Olympics from Moscow to a country which respects the human rights of athletes and all other persons. I hope The American Legion will join us in this effort.

I also believe that President Carter should inform the Soviets that, owing to their repeated and blatant violations of the human rights provisions of the Helsinki Final Act, we no longer feel bound to abide by the other provisions — especially those economic, scientific, and trade provisions which are so disproportionately beneficial to the Soviet Union.

I believe the President should also make it clear to the Soviets that no SALT agreement can be signed, whatever its terms, until we have good reason to trust the Soviet Union to live up to such an agreement — and no such good reason can exist in the face of continuing Soviet violations of Helsinki.

I guess this goes by the name of linkage — and I'm for it. Linkage means that we apply our strengths, technological, economic, and moral, to Soviet weaknesses. The alternative to linkage is steady retreat before probing, advancing Soviet power.

Linkage is, I think, Henry Kissinger's term. Brezhnev talks about the correlation of forces — by which he means the balance of power in political, diplomatic, economic, and military terms. He sees the correlation of forces shifting to the advantage of the Soviet bloc. I fear he may be right.

If such a shift is taking place, it is based on one area of Soviet strength; its indisputably growing military strength.

When Dr. Kissinger was Secretary of State, he was asked whether we had lost our military superiority, and he said: What can you do with military superiority? Well, we may not know what to do with it, but the Soviets surely do. They know that military superiority not only makes possible military adventures of the kind the Cubans are carrying out for them in Africa, it also makes possible political and diplomatic pressures which weaker countries cannot withstand. And who can deny that for many small and weak countries, lacking the capacity for independent action, the choice between East and West will rest on their perception of our relative military strength and our will to use it?

Therefore, when it comes to national defense programs, the AFL-CIO has only one standard, one criterion. What do we need to do to maintain a favorable balance of power?

We reject the notion that bombers, submarines, and tanks should be built because that would create jobs. That has never been the position of the Labor Movement and, if it were, that position should be rejected by the rest of the society. To create weapons of mass destruction in order to reduce unemployment would be immoral — and a confession of bankrupty by our society.

We also reject the notion that we should not build bombers, submarines, and tanks in order to create jobs, or to make more funds available for domestic social needs. What good does it do to clear our slums and eliminate poverty if we then succumb to totalitarian military power, or are incinerated in a war brought on by a destruction of the balance of power?

We are therefore opposed to simplistic approaches to defense spending. We are opposed to just lopping off a certain percentage of the defense budget and transferring it into the social sector without regard to the real dangers on the international scene.

So, as far as we are concerned, the only legitimate questions to be asked about a particular weapon or weapons system is: do we need it? If we give it up, what will the other side do?

Now, I am not a military expert, but I do know something about collective bargaining, and I wonder: Could we not get iron-clad guarantees from the Soviets about the security of Western Europe in exchange for not constructing the neutron bomb?

I could cite other examples but they all can be quickly summed up: Is the conduct of foreign and defense policies by good example a sound policy for the salvation of this Nation?

If we show a sincere interest in disarmament by disarming unilaterally, will the Soviets do likewise? If we show restraint in Africa, will they do likewise? If we change our visa policies to allow Soviet agents disguised as Trade Unionists to tour our Country, will they let Andrei Sakharov come and go as he pleases?

I doubt it, I doubt it will moderate Soviet behavior, reassure our allies, or protect our interest.

I propose our foreign and defense policies not be based on good example but rather on reciprocity.

I am convinced that the American people are tired of those in both political parties who have rationalized defeat and retreat by the language of detente. I think they are tired of those in both parties, and they are in both parties, who talk about human rights while accommodating militarily, diplomatically, and politically to the system that tramples human rights.

Following World War II, Americans came together behind a bipartisan foreign policy consensus which helped to maintain the peace, to rebuild war-torn Europe, to contain Communism, and to facilitate the independence movements of colonial peoples all over the world.

We cannot go back to the past. But we can put behind us the divisions, the self-doubt, and the illusions of the post-Vietnam era, and commit ourselves to a bipartisan policy whose goals would be unchallengeable military strength, and a completely reciprocal relationship with the totalitarian world.

Only on such a foundation can we hope to champion the course of human rights throughout the world.

NATIONAL COMMANDER SMITH: Brother Bussie, we express again our sincere appreciation to you for your assistance. We would like also to express our sincere appreciation and ask that you convey to President Meany our appreciation for this great message which you have delivered for him today. Thank you for being with us.

Delegates to the 60th Convention, the ranks of our Founding Fathers continues to thin. But their vision and foresight of 60 years ago continues to live on through those of us who fought in subsequent wars. As they wished when the organization was founded, we wish we had not had to go to war, but our sense of duty and respect for what America stands for told us our duty.

Those same ideals hold us in good stead today as we continue to work for God and Country.

Bringing greetings to us today is Harry Foster, President of the Society of American Legion Founders. For 60 years Harry Foster has worked for the betterment of The American Legion and the Society, holding high office, and working tirelessly behind scenes. Without people such as Harry Foster, The American Legion would not have the strength and power it has today. Please join with me in giving a tremendous welcome to the President of the Society of American Legion Founders, Mr. Harry Foster.

GREETINGS

Harry Foster, President
Society of American Legion Founders

I am glad I became a past President of The American Legion Founders for the purpose of this program. I guess I will accept that title while I am still very active. We are little in number but we continue to be well and alive. We want to take this opportunity, Mr. Commander, to express our deep thanks to The American Legion for the actions that they took in approving and recommending to others our memorial which was started by a little Post called Post 197 of Racine, Missouri. The Department of Missouri has been of great help in this program. I was amazed to learn the other day that this will be the first and only memorial that there is in this Country, so, we as the Founders are very happy that The American Legion took a step, especially in contributing to this memorial $60,000, which the Executive Committee approved yesterday, and further to give encouragement to this particular program by urging all of the Legionnaires and all of the Posts throughout the Country to subscribe to this worthwhile memorial. It is not a large amount we want. If everybody gives a little bit, this memorial will be completed and finally this Country will be proud of this memorial.

Thank you again, Mr. Commander. I hope the members will do all they can to make this particular program their goal. As I understand, it is $3 million and that is not very much. If every Legionnaire will get out and hustle, it will soon be reached. God bless you, Mr. Commander, for the $60,000, and the great cooperation you have given us on the part of The American Legion. Without the help of The American Legion, this would never have been possible.

NATIONAL VICE COMMANDER JOHN J. O'CONNELL: The next speaker to bring greetings to us today, ladies and gentlemen, delegates, is a long-time friend of The American Legion and a tireless worker for the veterans of his nation as well as his nation's youth.

A veteran of World War II service in the Royal Canadian Navy, he joined the Royal Canadian Legion shortly after his discharge, rising through the chairs, so to speak, at the local District and Provincial levels in Alberta where he worked actively with the Legion's sports training program, and the Alberta Chapter of the Canadian Foundation for Poliomyelitis and Rehabilitation sponsored by the Legion.

A member of his organization's equivalent to our National Executive Committee for three years, he also served four terms as Dominion Vice President, prior to his election as President at the Legion's Convention last month. A director of the Council for Canadian Unity, he is also Chairman of the British Commonwealth Ex-Services League Committee. Ladies and gentlemen, honored guests, it is my pleasure to present E. C. "Ed" Coley, Dominion President, The Royal Canadian Legion. President Coley.

GREETINGS

E. C. "Ed" Coley, President, Royal Canadian Legion

May I say first of all that I am happy indeed to be here not only as your guest but as the Dominion President of The Royal Canadian Legion. I bring you not only my personal sincere greetings but the best wishes for a most successful 60th Annual Convention, from the 500,000 members of The Royal Canadian Legion across Canada.

I am proud to have this privilege to speak to so many veterans of The American Legion. You are the strongest force in the United States, whose prime concern is the welfare of the veteran. You are concerned with adequate treatment and hospital facilities.

You are concerned in adequate pensions for the disabled. You are concerned in pension adjustments to meet inflationary trends.

You are concerned in veterans preference in hiring, to mention only a few of the concerns you are faced with today. These are the concerns we have in common.

I am sure Washington, like the government of Canada, behind the scene, is working to gradually phase out the Department. We are faced today with a new regionalization program which is another step towards phasing out the Department of Veterans Affairs in Canada.

Strong protests from time to time must be made to our governments to keep the Department of Veterans Affairs in its right perspective and to oppose any move to put veterans programs and benefits under the control of health and welfare services or some other Department.

I am also aware of the part your Organization plays in building better communities throughout the United States and ever striving for peace and understanding.

The late Dwight Eisenhower, then President, said, "We live in an age of peril." It is as true today as it was then. The spread of Communism in Europe and other countries is a constant threat to the Western world.

Your strong stand on national and foreign policies, and policies as they relate to the armed forces, I am sure will have a great influence on the decisions made in Washington, to preserve freedom and national security of your great country.

May I say in closing, with so many dedicated veterans working together for common goals the best is yet to be for The American Legion.

I thank you, National Commander Smith, for this opportunity to say a few words to your delegates this morning and I wish you every success in your deliberations.

PRESENTATION

By: Dominion President Coley
To: National Commander Smith

Before I sit down, comrades, I would like to call upon your National Commander, Commander Smith, to come forward, please, for a small presentation.

Fellow veterans, this is one of the more pleasant duties a President has to do from time to time, that is, to make a presentation to your National Commander on behalf of veterans in Canada. I would like to present to your National Commander, our Medal of Friendship. We have a close relationship to your branches along our border, and your National Commander convened two Conventions, one in North Dakota and one in Montana just recently where he met our Provincial President there. On behalf of the Canadian Legion, sir, I make this presentation.

NATIONAL COMMANDER SMITH: Thank you, President Coley, for this presentation. I know of the close cooperation which our American Legion Posts along the borders of Canada have with your organization, and it is truly great that we can have this relationship.

NATIONAL VICE COMMANDER JOHN J. O'CONNELL: The man who will next bring greetings is no stranger to an American Legion Convention. He has been a recipient of The American Legion International Amity Award and has brought greetings to several previous past National Conventions.

He is a veteran of World War II, where he served with the Royal Canadian Artillery in France, Belgium, Holland and Germany. Following his military service he became a member of the Vancouver Police Department, advancing to the rank of Inspector.

He also joined the Army, Navy and Air Force Veterans in Canada where he held many important posts at both the local and National level, including Dominion President, a position which corresponds to our own National Commander.

Ladies and gentlemen, it is my pleasure to present to you the Past Dominion President of the Army, Navy and Air Force Veterans in Canada, Mr. Frank H. Farley.

GREETINGS

Frank H. Farley
Past Dominion President,
Army, Navy and Air Force Veterans in Canada

It is with distinct pleasure that I have been given the opportunity to bring greetings from the Army, Navy and Air Force Veterans in Canada to the 60th National Convention of The American Legion. I am here representing our Dominion President, Comrade Gordon Thomson, who is at the moment deeply involved in his own National Convention in the City of Lethbridge, Alberta. He has asked me to convey to you best wishes from the Officers and members of our Association, hoping that you have a fruitful Convention which will result in many benefits to your veterans and the communities in which they live.

We are very grateful to members of your Association, and in particular to Dan Burkhardt, Adjutant of The American Legion for the State of Maryland. He has for many years encouraged us and assisted us in setting up what you in America call Boys State. The program in Canada has just marked its fifth anniversary at the Royal Military College in Kingston, Ontario. This program was for a week's duration starting on June 25. There were 115 young men in attendance, and on graduation day, the Ontario Provincial Command, which sponsors this Youth Development Program, had the privilege of having Dan Burkhardt as the guest speaker.

While Eastern Canada has devoted its efforts to the development of youth, our organization on the West Coast is concentrating on providing low rental housing for elderly citizens of the community. They have just completed their fifth project, representing 212 apartments for the elderly.

On the Pacific Coast in the Province of British Columbia the members are deeply involved with The American Legion in a ceremony which is commonly known as Hands Across the Border which takes place at the Peace Arch at the Douglas/Blaine border crossing. This takes place in early June each year. There are similar types of ceremonies celebrated between our two organizations in other parts of the country. But the catalyst which is so important to both the Army, Navy and Air Force Veterans in Canada and The American Legion, is ANAVICUS, which means Army, Navy and Air Force Veterans in Canada, United States Unit. Many distinguished members of The American Legion are members of ANAVICUS, and yesterday morning I had the privilege of inducting 25 new members into the unit. It is this type of association and comradeship that continues to foster good relationships between our two countries. We are hoping that this will keep the 4,000 miles of undefended border open to the citizens of both nations.

In closing, I wish you success in your deliberations, and may God bless you all.

PRESENTATION

By: Past President Farley
To: National Commander Smith

At this time, I would like to make a presentation to your National Commander, Robert Charles Smith. National Commander, this is a plaque which is given to you from the Army, Navy, and Air Force Veterans of Canada.

. . . At this time, Past President Farley presented a plaque to National Commander Smith, signed by Dominion President Gordon Thomson.

NATIONAL COMMANDER SMITH: Thank you, Frank, for this presentation. We extend to Gordon Thomson, your President, our appreciation and wish for him a very special Convention as you begin your deliberations this week. Thanks again for being with us.

NATIONAL COMMANDER SMITH: At this time, the Chair will recognize James P. Dean, of Mississippi, Chairman of the Credentials and Internal Affairs Committee, for the purpose of making the first portion of this Committee's report. Chairman Dean.

REPORT OF CONVENTION COMMITTEE ON CREDENTIALS AND OTHER INTERNAL MATTERS

James P. Dean (Mississippi) Chairman

Section I, Credentials

Forty-eight members of the section on Credentials and Other Internal Matters of the Convention Committee on Credentials and Internal Affairs met at 10:00 A.M., August 20, 1978, in Section B, Ballroom, Third Floor, Hyatt Regency Hotel, New Orleans, Louisiana. A second session was held at noon, Monday, August 21, in the National Headquarters at which time the actions taken at the first meeting were confirmed.

James P. Dean of Mississippi was elected chairman, and Dr. S. F. Saracino of New York was elected secretary.

It was regularly moved, seconded and carried that the report of the National Adjutant as of thirty (30) days prior to the National Convention be approved and that delegate strength to the 60th National Convention be based upon the provisions of Section 3, Article V, of the National Constitution: Five or major fraction thereof, whose current dues have been received by the National Treasurer thirty (30) days prior to the opening of the convention (July 24, 1978); and one alternate for each delegate. In addition, in accordance with Section 3, Article VII, members of the National Executive Committee, which committee includes the National Commander, who exercises his vote only in his capacity as chairman of the National Convention, and five (5) National Vice Commanders are delegates to the National Convention. All living Past National Commanders are members of the National Executive Committee without vote and life delegates to the National Convention with vote, which is exercised in their respective Departments.

In accordance with the membership report certified to the Convention Committee on Credentials and Internal Affairs by the National Adjutant on July 24, 1978, and in accordance with Article V of the National Constitution, the voting strength of the 58 Departments is 3,008, allocated as follows:

Alabama	34
Alaska	10
Arizona	27
Arkansas	37
California	126
Canada	7
Colorado	25
Connecticut	34
Delaware	11
D. C.	12
Florida	67
France	12
Georgia	47
Hawaii	9
Idaho	15
Illinois	176
Indiana	130
Iowa	97
Italy	7
Kansas	68
Kentucky	36
Louisiana	56
Maine	30
Maryland	66
Massachusetts	73
Mexico	7
Michigan	82
Minnesota	131
Mississippi	31
Missouri	66
Montana	18
Nebraska	70
Nevada	10
New Hampshire	28
New Jersey	80
New Mexico	16
New York	203
North Carolina	53
North Dakota	41
Ohio	139
Oklahoma	47
Oregon	27
Panama	7
Pennsylvania	256
Philippines	12
Puerto Rico	17
Rhode Island	17
South Carolina	28
South Dakota	36
Tennessee	49
Texas	85
Utah	13
Vermont	20
Virginia	40
Washington	41
West Virginia	35
Wisconsin	77
*Wyoming	14

Department of Wyoming Delegate Votes reduced to fourteen (14) because of the death of Irving B. Selmer, National Vice Commander.

The report was adopted.

NATIONAL COMMANDER SMITH: The next gentleman who will bring us greetings is no stranger to an American Legion National Convention. We have been honored by his presence at many of our Conventions. He was the recipient of The American Legion's International Amity Award in 1973.

For more than 20 years this gentleman has been working with the Vocational Assistance Commission as its Secretary-General, Vice Chairman and Chairman.

Under his leadership, the Commission has resettled over a quarter of a million retired servicemen. His great leadership only solidified the fact that we in The American Legion consider the Republic of China a true friend and ally.

It is my pleasure to present to you the Chairman of the Vocational Assistance Commission for Retired Servicemen, the Republic of China, Mr. T. Y. Chao.

GREETINGS

The Honorable T. Y. Chao, Chairman
Vocational Assistance Commission
for Retired Servicemen, Republic of China

The American Legion is solemnly meeting in its 60th Annual Convention today. As an old friend, I am very happy to be invited to join you for the ninth time on this auspicious occasion. I want to extend to you the best wishes and congratulations of the Retired Servicemen of the Republic of China. Your kind invitation attests to the traditional friendship that the veterans of our two countries have enjoyed in the past and will continue to enjoy in the years to come.

The long-standing friendship and cooperation between the United States and the Republic of China has contributed greatly to stability in the Pacific and helped assure the peace of the world. However, the international cold war situation has been changing in recent years. Confronted by the united front activities of the Chinese Communists, some persons with fantastic ideas have hoped to checkmate Russia with the Chinese Communist regime by playing of the so-called "China card." This has upset the balance of the situation in the Pacific, severely damaged the common interests of the United States and the Republic of China, and stirred up anxiety among the free nations of the Asian and Pacific region.

The fallacy of trying to restrain the Soviet Union by uniting with the Chinese Communists resulted from mistaking an enemy for a friend. Those who were misled thought the Soviet Union and the Peiping regime had come to the parting of the ways and would become permanent enemies, that the Chinese Communists were truly sincere in seeking compromise with free nations, and the Chinese Communists could be won over by playing them off against the Soviet Union. These concepts have been spread by those who were deceived by the treacherous propaganda and dirty tricks of the Chinese Communists. Such a course is impractical and would bring endless disaster to the free world.

In fact, the conflict between the Peiping regime and the Soviet Union concerns only their struggle for hegemony and their efforts to expand their influence. The Soviet Communists and Chinese Communists are of the same nature; both pursue the same goal of world communization and human enslavement. Chinese Communist friendly gestures toward the United States are intended to obtain American weapons and technology. Their hatred for the United States and their anti-Americanism are unchanged. The Chinese Communists have always regarded the United States as imperialistic, their No. 1 enemy and a paper tiger. This is attested by the fact that they take a position against the United States on every issue at the United Nations.

The Chinese Communist intention is to embroil the United States and Soviet Russia in a conflict which would cripple both and give the Peiping regime opportunity to fish in troubled waters and win hegemony over the world. What kind of assistance could the Peiping regime give the United States in case America was involved in war? The attempt to checkmate Russia with the Chinese Communist regime and the effort to strike a balance between Russia and the Chinese Communists amount to the walking of a tightrope: the greatest care will be necessary to keep from falling into the abyss. There would be no chance to regret having perished. The illusion that the evil forces and challenges of Russia could be restrained by uniting with the Chinese Communists is a mistaken policy that would lead to the abondonment of a faithful friend, violate moral principle and destroy the confidence of U.S. allies. This unwise approach could bring only destruction and catastrophe. All of the free nations would be discouraged, the democratic camp would disintegrate and mankind would be left to the mercy of the Communists.

My dear old friends, can we allow the free nations to perish in this way. Are we willing to allow the Chinese Communists to lead us by the nose, order us around and make us their puppet. I believe your answers are in the negative. My friends, united we stand, divided we fall. We must stand firm and face the reality squarely and courageously. It is my earnest hope that the veterans of the United States and the Republic of China will always be united and, advancing hand in hand, will dedicate themselves to the common interests of our two countries so that total victory can be won and success assured.

CITATION

MR. CHAO: Mr. Robert Charles Smith, National Commander of The American Legion, has made great contributions to the promotion of the traditional friendship between the United States and the Republic of China, to the strengthening of the relationship and cooperation between the veterans of the two countries, to the upholding of international justice, to the safeguarding of democracy, freedom and human rights, and to the support of the Republic of China. His excellent performance and righteousness deserve our profound admiration. In appreciation of his outstanding achievements, I take pleasure, on behalf of President Chiang Ching-kuo of the Republic of China, in conferring upon National Commander Smith an Order of Cloud and Banner with cravat cordon and extending to him our congratulations.

NATIONAL COMMANDER SMITH: Thank you, Chairman Chao, for your wonderful remarks you made this morning. Thank you also for the presentation which you have presented on behalf of the President. Let me say once again, Chairman Chao, as I was relating to you and those in attendance at The American Legion Center in Taiwan when I was there of the dedication which The American Legion has to the continued support of those treaties and those obligations which our Nation has made to the Republic of China who has long been a friend of the United States and has been an ally, and we of The American Legion will continue, and we believe that is the desire of the majority of the people of this country, that the United States continue its leadership in the free world, but remembering that we must continue our obligations which we have made to those of you who have been so friendly to us and have been our allies in times of need. Thank you for being with us at this time.

PRESENTATION OF INTERNATIONAL AMITY AWARD

By: National Commander Smith
To: Vice Admiral Lee Maeng Kee

It is with a great deal of pleasure that I introduce you to our next guest here on the platform because it gives me an opportunity to present one of the most significant awards we as an Organization can bestow. The International Amity Award, first given in 1961, because we felt then, and still do, that there must be a way to honor our friends in other lands who have been helpful to The American Legion, and to the veterans of their own nation.

Eligibility for the award is limited to members of veterans organizations of nations who were allied with the United States during war time. The award is given to those individuals in recognition of outstanding service in the field of veterans affairs and for service and contributions made in the development of international goodwill and comradeship between their organization and The American Legion.

Our recipient is serving as President of the Korean Veterans Association, an organization of veterans that parallels our own in size and scope.

Our two organizations have had a mutual friendship for many years which is to be expected since our two countries have been allies for many years.

He is a Navy veteran, beginning with his graduation from the Republic of Korea Naval Academy in 1947. He has held many positions of increasing responsibility throughout his career, culminating in his being named Chief of Naval Operations of the Republic of Korea Navy.

He attended the Naval Command and Staff College in the United States, the Naval Amphibious course and has had two orientation tours of America.

He retired from the Navy with the rank of Vice Admiral and became President of the Korea Shipping Corporation. He also served as Vice President of the Korean Veterans Association and then assumed the position of President, Korea Line Corporation, which he still holds.

It is my pleasure to present the International Amity Award of The American Legion to Vice Admiral Lee Maeng Kee. Admiral Lee.

VICE ADMIRAL LEE MAENG KEE: Commander Smith, this will be my last time to extend to you friendship. Commander Smith, distinguished guests, comrades, ladies and gentlemen. I am highly honored today to attend the 60th Annual Convention of The American Legion on behalf of all members of the Veterans of Korea. Also I am most happy to extend my congratulations for the efforts and contributions you lent us toward peace, freedom and prosperity for all mankind.

I am pleased to take this opportunity to express my sincere appreciation to National Commander Smith for his continuous effort and cooperation throughout the promotion of friendly relationships within our two veterans orgnizations. As you are well aware, we are long-time friends. Since the war in Korea, there have been many changes. We have had ten years of change of different and mounting goals. There were a lot of changes in our country that have come about, but only one thing that remains unchanged is the very significant desire held by the North Korean Communists to invade throughout the world. Even though they say something about peace on occasions, they also maintain that the U.S. forces should be withdrawn from Korea in order to preserve peace on the Korean Peninsula, that there is no good reason for them being in Korea. The Korean Communists unceasingly have infiltrated and engaged in espionage in the Republic of Korea, and this is very strange if they wish to promote peace and command respect, if they want peace indeed.

The North Korean Communists have not been promoting peace and there are now 5,000,000 families living separately. Moreover, they have deported families, and they do not know whether the other members are alive or not. This is an inhuman treatment that should not be from the Korean's point of view

They have set forth the platitudes, but it is still their objective and they have the intentions to communize the Korean Peninsula. We cannot bear to be an isolated peninsula, and if there be in the event of a national emergency, all people of the Republic of Korea are fully prepared to fight against the Communists at the sacrifice of their lives, just bits of straw. With strong resolution, the Republic of Korea cannot be and should not be an ally of China, and also we are identifying our national service posture more than ever before. I am confident that the Koreans are all the more with the forces of the United States of America. It is an obvious fact that if the United States of America were to withdraw from Korea that the Communists will embark on a new crusade and there will be a danger of a war to the Korean people, thus, the government of the United States of America should be made aware of the resolution of North Korea, that the United States of America will not launch automatically in accordance with the U.N. Mutual Defense Treaty with the Republic of Korea after withdrawal of U.S. troops from Korea.

It goes without saying that the defense of the Republic of Korea and the United States is more important than anything else. I sincerely hope that you continue to support our efforts to attain our assigned tasks as each of you assist us in our democratic goals.

On this very special occasion, I would like to impress again by offering to National Commander Smith the need for this unity, and I wish this Annual Convention a very productive meeting throughout. Thank you very much.

NATIONAL COMMANDER SMITH: Thank you, Vice Admiral Lee.

Presentation

. . . At this time, Vice Admiral Lee Maeng Kee presented National Commander Smith with a beautifully inscribed plaque.

NATIONAL COMMANDER SMITH: Thank you, Admiral Lee, for your presentation and for your being with us personally. As I told you on the tour which I made to the Far East, The American Legion is on record as opposing the withdrawal of the troops from South Korea because we believe that it has only been possible for the peace to be contained because of the presence of our forces along with yours in this area, and I know that The American Legion continues to remember that you have been our ally and we support continuing our friendship with those who have been friends with us.

NATIONAL COMMANDER SMITH: Our next speaker represents a profession that is vital to our continued well-being. He is President of the American Medical Association, a Board certified urologist,

graduate of Southwestern Medical College of the University of Texas and a private practicing physician in Nashville, Tennessee.

He interned at the University of Michigan and completed residencies in surgery and urology there. In addition to his private practice, he holds clinical appointments at the Medical School of Vanderbilt University and Meharry Medical College.

He has long been active in the AMA, the American Urological Association and was President of the American Association of Clinical Urologists in 1971-72.

The remarks he makes today, I am sure, will have much value to us in fighting rising health costs and the proposed downgrading of the Veterans Administration Hospital Medical System. Ladies and gentlemen, distinguished guests, the President of the American Medical Association, Dr. Tom Nesbitt. Dr. Nesbitt.

ADDRESS

Dr. Tom E. Nesbitt, President
American Medical Association

It is a great honor and privilege for me to appear with you on this occasion and in the position of President of my professional association. But, I would emphasize that I am a practicing physician in Nashville, Tennessee. I do not live in Chicago, and I am not a full-time employee. I do relate to the medical care and needs of the people of this Nation because of that association, and, Mr. National Commander, I would like to take a moment, if I may, to just extend greetings to Mr. Barney Green. Greetings to the State Adjutant of The American Legion of the State of Tennessee in the far corner to my left, and expressions of my regrets of being unable to meet with him yesterday because of late scheduling changes and my own problems in this capacity.

Mr. National Commander, you should also know, because of The American Legion's continuing concerns about the ability of high quality medical care to the veterans of our Nation that the Surgeon General of the Army and the Navy and the Air Force sit with our policymaking body of the American Medical Association, our House of Delegates over which I have had the privilege of presiding for the last five years, and in that capacity have come to know each of them extremely well. They participate in the deliberations, undoubtedly, our House of Delegates with our Reference Committees acting as representatives of the Veterans Administration.

In choosing a topic for my remarks to you today I have chosen the theme, Finishing the Great Circle. For many decades, the Gay Nineties and the Roaring Twenties being cases in point, and just for America's superiority as a world power, the present decade may end up being called the Showdown Seventies and the socioeconomic materials and in government, it may mean futuristically to make many changes before this decade is over. So, it is important for all of us to look jointly at the projects ahead, and I greatly appreciate this opportunity to speak for my profession.

The prospects for medical care have been made inseparable from the costs of that care and the demand for their containment. In the eyes of a number of political leaders, costs are indeed the foremost health care consideration. And I know they are of concern to many of you as employers and as family men. But they have to be seen in a full and proper context if they are to be contained in a sensible, beneficial manner. An assault on them cannot be abrupt or rash, without causing grave side effects and no doubt proving inappropriate or ineffective. As exiled Russian novelist Aleksandr Solzhenitsyn said in his Harvard commencement address a couple of months ago, "Hastiness and superficiality are the psychic disease of the 20th Century."

In the delivery of care, just as in some complicated romances of literature and film, there is an Eternal Triangle. The physician's particular triangle consists of the quality of health services and their availability, as well as their cost. Ironically, the irksome surge in costs results in large measure from the greatly appreciated strides in that quality and availability. As Alain C. Enthoven, Ph.D., the noted Stanford University economist, said recently in The New England Journal of Medicine: "There are good reasons for much of the increase in health spending: growth in public and private insurance coverage brought access to many who previously did not have it . . . advances in technology increased the power of medicine to prolong life and enhance its quality . . . the population aged . . . the health-care system took on new assignments (e.g., in mental health, alcohol and drug abuse) . . . the pay of health-care workers was brought up to the level of other industries . . . and rising incomes and expectations increased consumer demand for health-care services."

Another distinguished economist, Martin Feldstein, Ph.D., of Harvard, goes so far as to theorize that "the major reason for hospital cost inflation has been the very rapid growth in insurance." And hospitals, of course, account for roughly forty percent of national health expenditures. Consider, though, the economic impact of advanced technology such as kidney transplants and dialysis.

Medicare, as you know, covers treatment of chronic kidney patients regardless of age. A year ago 34,000 such patients reportedly were being treated at a cost of $500 million. Well, Congress has received estimates that the costs of this program alone will soar to almost $2 billion by 1982, and by 1992, to $6.3 billion. These are amounts that go far beyond a forecast made by the Social Security Administration three years ago when this program was implemented.

Other outstanding examples include the impending artificial heart, the potential demand and expenditures for which have worried Senator Ted Kennedy, according to The New York Times and computerized axial tomography, the cost of which has been worrying various figures in the Nation's capital . . . despite its widespread helpfulness in detecting obscure tumors, aneurysms, and other abnormalities.

Let's understand clearly my purpose today is not to point an accusatory, self-defensive finger at the public zeal for sophisticated technology or at insurance companies, or at hospitals.

Quite to the contrary, my chief purpose will be to show how health-care providers, insurers, and consumers can work together to contain costs, including physicians no less than others. To place our need for cooperative, largely voluntary, action in proper perspective, however, I first should discuss the government's approach to the problem of health and its costs. Perhaps there is no better place to start than a book written by Daniel P. Moynihan after his service in three Administrations, and before his election as Democratic Senator from New York. "Advocates of social change," he wrote, "are naturally disposed to be impatient, to ask that remedies be as near as possible immediate. . . .

To assert that nothing can be done overnight is to be accused of supporting those who want nothing done ever."

Now let me read the clincher in the same paragraph: "Once (social science) is asked actually to implement — forthwith — the normative imperative, it is up against a very different matter indeed. By and large it knows that it cannot. The evidence is all to the contrary."

The Carter Administration's persistence in seeking a 9 percent ceiling on hospital cost increases is an excellent example of the impetuousness that Mr. Moynihan describes. So are HEW's Health Planning Act guidelines, which could enable it to allocate health resources in an arbitrary, high-handed manner, and even shut down necessary facilities. And so is a proposed Senate bill to create National Institutes of Health Care Research in HEW. Though rejected by the current Senate, it is apt to come up again. Ostensibly this bill would use various techniques to "improve the effectiveness, efficiency, and quality of health care in the United States." Actually it could result in a retrenchment in various technologies and therapies, and in the availability of these to various types of patients.

The proposals and guidelines I've cited may appear as different rabbits from different hats, but essentially they're the same rabbit: government's impetuous approach to the containment of costs. Various self-designated magicians in Washington contend that cost savings could be pulled out of a federalized form of National Health Insurance. On this score, I firmly believe that such a program would be more a sieve than a magical hat. We of the AMA are gratified that the generally moderate set of NHI guidelines announced by the Carter Administration coincide — to a great extent — with the set of principles we have long advocated. But in the development and execution of the Carter guidelines or any other NHI proposals the AMA and other believers in the free-enterprise system must be on the alert.

We must do our utmost to sustain the private focus of medical practice and insurance and the quality of patient care. We must resist any form of National Health Service for it would be fiscally and administratively overweight but medically underweight.

For some backing in that contention, I'll bring in still a third economist, Nobel laureate Milton Friedman of the University of Chicago. He has cited a study showing that between 1965 and 1973, the administration and clerical staff in Britain's National Health Service hospitals increased by 51 percent. Meanwhile, the average number of beds occupied daily dropped by more than 11 percent despite a long waiting list for them. Now that's Great Britain, where some maladjustments can be blamed on her reduced economic status. It is not HEW which, according to Time Magazine, has the third largest budget in the world, outstripped only by those of the total U.S. government and the Soviet Union. And as Time notes, "It is an empire, moreover, of 1,125,000 bureaucrats augmented by computers." Any National Health Insurance program run by HEW would sizably increase that conglomeration of personnel, as well as that budget. Couple such a program with national health planning and other heavy-footed laws and regulations and what would you have? Why, you'd have something as awkward as a dinosaur dancing among chickens. And health care is too sensitive and delicate a composite to endure much trampling.

Much as many public officials, and consumers, may be concerned about the costs of private care, there is ample evidence that in many fields the federal government is the worst spendthrift. To cite a vivid example, a study commissioned by the federal General Services Administration made these findings, as reported recently in The Chicago Tribune: That in Chicago, the Kluczynski Federal Building cost 20 percent more per square foot than the comparable IBM building, which is nearby. That the U.S. Senate's new office building, with nine stories and 1.1 million square feet, will cost more than $125 million, possibly almost $200 million, as against just $75 million for IBM's 41-story, 750,000-square-foot office project in mid-Manhattan.

The HEW waste of more than $5 billion a year acknowledged in June by Secretary Califano suggests what the government is likely to foster in the name of efficiency. However, I want to make it absolutely plain that the private sector of the economy has an obligation to contain health-care costs. A variety of methods is needed, demanding a solid, coordinated effort on the part of insurers, hospitals, physicians, and consumers alike.

Such variety is spelled out in the recommendations of the AMA-sponsored National Commission on the Cost of Medical Care, a free-standing group recruited from many walks of life. Many portions of the Commission's report already have been approved by the AMA House of Delegates . . . which discussed it at our annual convention in June. It has been endorsed by the Business Roundtable and praised by the Chamber of Commerce of the United States. In the realm of insurance, the report called for greater stress on marketplace choice, which means greater latitude in the patterns, and hence the costs, of the benefits offered by insurers. The cost commission recommended that employees be given the opportunity to choose among health-care plans in terms of premium price, whereas employer contributions to premiums would be the same for any plan. The employee selecting a plan less expensive than the employer contribution would either be reimbursed for the difference or receive additional benefits.

In the hospital realm, the cost commission endorsed (quote): ". . . the concept of areawide planning and review of capital expenditures — such as the establishment of multi-hospital systems, sharing of services among hospitals, and contracting-out of certain services."

While areawide planning would be encouraged, any federal controls would be opposed. The Commission said it also believes "efforts should be made to reduce the social costs due to duplication and underutilization of expensive capital."

In harmony with one Commission recommendation, the AMA, the Amerian Hospital Association, and the Federation of American Hospitals are aligned on a voluntary cost-containment crusade. One short-term goal of this voluntary effort — which has received a nod from the House Commerce Committee, is to cut the rate of increase in hospital spending by two percentage points a year. Well, initial reports indicate a reduction of almost double that amount in comparison with a year ago. Next, how can individual physicians help contain costs?

At the AMA's annual convention in June, I called on physicians to limit their annual rate of fee increases by 1 percentage point. In hospitals, which, as I've said, account for about 40 percent of national health expenditures, the chief of staff has to establish a climate of cost awareness. Physicians have to ask themselves: Is this hospitalization needed? How many days should this patient be in the hospital? Are all diagnostic studies and therapeutic measures necessary? What are the costs of alternative procedures in relation to optimum results?

Now let me give you a graphic example of the cost savings a doctor can render, without sacrificing quality of care. During 1977, roughly 80,000 Americans underwent coronary bypass surgery at a cost of $12,500 each, for a total tab of $1 billion. Fifteen to twenty percent of our population over 45 — or at least ten million people — have coronary artery disease as demonstrated by exercise tests. So it can be assumed that we have barely scratched the surface of the bypass potential. However, many persons with demonstrable coronary disease have minimal symptoms and may require no treatment. Hence, we physicians should be prudent in determining who should undergo the expensive bypass procedure.

Finally, what can consumers do to contain costs? In addition to having and making a choice of employee health-coverage packages, and of health-care delivery plans, they should enhance their health education, partly through employer-employee programs. And certainly there must be improvement in lifestyles which, to a major and pitifully neglected extent, are where preventive medicine begins.

I must depart from my prepared comments for just a moment to tell you that we have recently had an opportunity to be meeting with various segments of our business community, discussing with them difficulties and problems in health benefit plans as applied to their employees, as applied to our profession, and explaining to them what our profession through the hospitals and the Association are attempting to do to control inflation within our industry, the third largest industry in this Country behind agriculture and construction — $180 billion a year.

They said to me, if indeed you, your segment of this Nation's economy can voluntarily control inflation in medical care, inflation being the number one problem of our Nation, if you can control inflation in medical care, that should be the message to us in industry that cooperatively with organized Labor, we can also combat inflation in the business community, and when that occurs, we can impose the same requirements on others.

So in summation, there is an enormous amount that givers, insurers, and consumers of care can do on their own and together, without intrusion by a federal Frankenstein's monster disguised as Mary Poppins. A brilliant French author and diplomat named Crevecoeur spent much time in our land, and in 1782, the very year in which Britain recognized our independence, he published these words: "Americans are the western pilgrims who are carrying along with them that great mass of arts, sciences, vigor, and industry which began long since in the east; they will finish the great circle. . ."

Working in an atmosphere of freedom, we can still be those pilgrims. And working together, we can help finish that great circle.

NATIONAL COMMANDER SMITH: You know, we are vitally interested in the health care of this Nation, and we continue to work for adequate health care for our veterans in the Veterans Administration Hospitals.

Will each of you join with me in a round of applause for Peter Ole, our organist.

NATIONAL COMMANDER SMITH: It is my pleasure now to call upon the new National Commander of the Sons of The American Legion, who will have a few words for us and introduce his Officers.

I might say that the newly elected National Commander of the Sons of The American Legion as I heard him state in Kentucky, is a member of The Amerian Legion and a grandfather.

GREETINGS

Richard J. Kepler, National Commander
Sons of The American Legion

As Commander Smith said, I am a Legionnaire, but I appear before you today with a gold hat on for the Sons of The American Legion. One reason, because I said at the 16 Department Conventions that I have been to this year, the future of The American Legion is in the youth of the Country. That is the history of the Sons of The American Legion.

It has been the youth. We are not a little boys' unit organization, and you can see standing before you a grandfather, and I am proud of the fact that I am a grandfather; I am proud of the fact that I wear a blue Legion hat. I am doubly proud of the fact that I wear this gold Sons of The American Legion hat, and that I have a chance to represent the Sons of The American Legion today.

I helped form the Detachment in Florida in 1970, and I am helping now to form the Detachment of Tennessee with the help of Adjutant Green, Commander Waters, and the great staff of the Department Headquarters in Tennessee, and soon we will have a Detachment in Tennessee again this year.

I represent 36,000 Sons of The American Legion from the day they are born until the day they die. There are many Legionnaires in this room today that are eligible for the Sons of The Legion, because our eligibility says, all male descendants, if your father is alive and he is a Legionnaire, you are eligible for the Sons of The Legion. If your fathers are deceased — God rest their souls — and they were eligible for The American Legion, you are eligible for the Sons of The American Legion.

In 1972, at our first National Convention in Chicago, Illinois, we represented then 16 members of a very poorly defined National Organization. In the last six years, we have been well represented by National Commanders from various states. This year's membership will be in excess of 34,000 members. Perhaps the figure that I was given is 36,000 members.

Last year's National Commander, Don Sherrard from California, is a public relations expert. He goes every place, and everybody loves him. Those of you who have had the honor of having Commander Sherrard at your Department Conventions know that he can talk, and know that he represents the Sons of The American Legion well.

I hope I have the pleasure of visiting a few more Departments this year. As I said, I only made 16; 16 doesn't sound like a lot, but it is a heck of a lot and it is a long visitation trip.

I would like to mention Commander Sherrard's theme last year — Muscular Dystrophy. At the well-run Auxiliary meeting yesterday, we presented a check to the Auxiliary for $5,000 for Muscular Dystrophy. I will continue this program for Muscular Dystrophy again this year.

It is my goal to far exceed that $5,000. Bear in mind, this is from an Organization that only has 36,000 members, which is smaller than a lot of the single Departments in the National Organization of The American Legion.

I would like to thank you for the time to address the Convention, and I would like to give you my word that I will represent the Sons of The American Legion in conjunction with The American Legion in the year to come, to the best of my ability.

My theme this year is — Can Do With S.U.M. The S.U.M. stands for Service, Unity and Membership. This is unity with The American Legion, unity with the American Legion Auxiliary, and unity with our Country.

Of course, the service is also with the Auxiliary, with the Legion, and for the Country.

The membership explains itself.

If there is any Department that wishes information on the Sons of The American Legion, I would be most happy to provide that information in any way I can. Please contact National Headquarters, of course. They in turn will contact me.

I thank you for this opportunity to address your Convention.

NATIONAL COMMANDER KEPLER: I would like to introduce Immediate Past National Commander, John Sherrard from California, for a few words, thank you.

MR. JOHN SHERRARD: I just want to take one second to thank all the delegates this past year that I had the opportunity of meeting, and expressing myself to at your Conventions.

Thank you very much for the hospitality I received at all your State Conventions, and I hope to see you in the future, and please keep the Sons of The American Legion part of your programs. Thank you very much.

NATIONAL COMMANDER SMITH: Ladies and gentlemen, delegates to the Convention, we have, since the founding of our Organization, been vitally interested in the defense posture of our Nation. Our cries for an adequate defense posture prior to the Second World War went unheeded.

Our support for our military during periods of armed conflict is unexcelled. Our next spearker reports directly to the President, and the defense posture of this Nation is in his hands.

Our guest received a Doctorate in Physics from Columbia University, where he had pursued his undergraduate and post-graduate studies. He has served the United States as a member of the Polaris Steering Committee under President Eisenhower, the Air Force Scientific Advisory Committee, and the President's Science Advisory Committee; was a scientific advisor to the Conference on the Discontinuance of Nuclear Tests in 1958-59.

He was Secretary of the Air Force under President Johnson, and a delegate to the Strategic Arms Limitation Talks beginning in 1969. Following his government service he served as President of the California Institute of Technology from 1969 to 1977 when President Carter nominated him to be Secretary of Defense. He has been honored by many universities and colleges as well as many organizations.

Honored guests, delegates, ladies and gentlemen, the Secretary of Defense for the United States of America, the Honorable Harold Brown.

ADDRESS

The Honorable Harold Brown
Secretary of Defense

I want to take this opportunity to thank you personally for the help that you have given to the President and to me, particularly in the recent removal of the arms embargo that had been imposed on our Turkish allies.

It is an honor to speak before this opening session of your 60th Annual National Convention. Discussing defense issues with any audience of American citizens is always a valuable opportunity. But being here with The American Legion is particularly helpful, and challenging. You are well informed and have strong views, views that deserve particular respect because of your own sacrifices in the uniform of our Country.

I want to talk with you today about how we are working to assure our military security — both by building balanced and fully adequate armed forces of the kind we most need, and by seeking arms control agreements consistent with the interests of this Country.

There is a great deal I don't need to tell this audience. The American Legion already knows that the first duty of government is defense. The Legion already recognizes that, without a sufficient defense, none of our liberties is secure. The President and we in the Defense Department have that same view. We have acted and will act accordingly. President Carter and I intend to do all in our power to see that the defense needs of this Country are fully met.

It is for precisely that reason that last week President Carter sent back to the Congress without his approval a defense procurement bill which would have weakened our defense — by taking $2 billion from high priority defense needs in order to pay for one nuclear-powered aircraft carrier. The President and I support the full amount of the Defense budget of $126 billion which he requested. We want no Congressional cut to be made from it. But we do want that money spent wisely, and spent where it is most needed.

The nuclear aircraft carrier costs nearly a billion dollars more than would a future non-nuclear carrier. We plan to build carriers in the future, but we do not need to build this one now at the expense of more urgent needs. And we do not need to add $1 billion to the price tag.

The President is asking the Congress that in the coming year, instead of building a $2 billion carrier with a nuclear power plant, that great amount of money be applied to more urgent needs like the following:

— $800 million for helicopters, combat vehicles, and ammunition for the Army.

— $200 million for airlift, electronic warfare equipment, and modern electronically guided ordnance for all the services, the Navy as well as all of our armed services.

— Half a billion dollars to upgrade the readiness of all our Armed Forces, by providing spare parts, ship overhauls, training, communications and logistical support.

— Several hundred million dollars more for research and development.

— More construction of modern general purpose naval ships. For instance, we could build next year two new guided missile frigates, three antisubmarine warfare ships, and a fleet oiler — all for less than one-third the cost of a nuclear-powered carrier.

The President's action is one to enhance our defense, and it certainly is not anti-Navy. We have the strongest Navy in the world, and we intend to keep it that way. We need to have balanced forces to meet all our defense needs, including particularly the need for our forces that are in Europe or are oriented for combat there to combine with the forces of our NATO allies to counter the steady Soviet buildup. The

Navy itself needs to bring the ship construction program into balance. It must stop the drift of the past ten years toward a Navy of fewer and fewer ships, each of which costs more and more to build. No ship, no matter how costly and capable, can be in more than one place at a time. We want to keep ours the world's strongest Navy — not to build the world's most expensive ship.

Let me turn now to a broader look at where we stand in the world, and how it shapes our defense decisions.

I should note first, of course, that the overall relative strength of the United States and the Soviet Union depends on more than military forces alone — although those forces are a necessary and crucial element. The total balance includes many parts — economic strength and productivity, political stability and cohesion, our technological skill, the appeal of our way of life and our international policies, and our national will. In these overall terms, there is no doubt in my mind that the United States is the most powerful Country in the world. We outstrip the Soviets in nearly every category I have mentioned. It is only on the military side that their society has been able to rival us. But the fact that they have turned so much of their effort to military activities is serious, and has to be troubling to us. We need to do what is necessary to keep a military balance, as well as favorable overall balance of national power.

Why are we making this effort to increase our defense? In deciding just how many defense dollars we need, we have to start by looking at the military efforts and capabilities of the Soviet Union. I have examined those Soviet capabilities carefully, with the help and advice of the Joint Chiefs of Staff. They and I meet at least once a week, and I meet daily with General Jones, the Chairman of the Joint Chiefs of Staff. We consider frequently what responses the United States should make to growth in Soviet military power.

We find that the Soviets have been engaged in a substantial military buildup for nearly twenty years. Over that period they have increased their military expenditures by about four percent each year in real terms, compounded, year in and year out. And their buildup is continuing.

The Soviets must wrestle with a number of problems that we do not now have, especially with respect to China. Their planning has to take into account a difficult geography and a harsh climate — though they do have the advantage of internal lines of communication. They lack willing and effective allies. Our planning should neither forget their burdens, nor assume we have the same problems — we have problems, but ours are different.

Thus, simple comparisons of Soviet and American forces are only the beginning of understanding our military needs.

Take the case of our strategic nuclear posture. With the warheads we already deploy, we can target all significant military objectives in the Soviet Union, even after undergoing a first strike by the Soviets. Our basic offensive strength, in other words, is adequate today. But as strategic forces have grown more sophisticated in both the Soviet Union and the United States, the requirements of deterrents have become more demanding: not necessarily in terms of missile throw-weight, or megatonnage, or warheads — the sorts of measures one often hears about — but rather in other dimensions.

Age also often is ignored in simple comparisons, and some of our offensive forces are growing old. Also, some — particularly the ICBM component — are becoming more vulnerable than is desirable from the standpoint of flexibility, even though we might decide to use those forces under attack before they were destroyed.

We have not been idle in the face of these needs. Aging of the force is being brought under control. The modernization of the submarine and bomber forces — with the Trident missile and submarines and with cruise missiles — is well under way. We are moving toward development of a new and more sophisticated ICBM. And we are continuing to examine effective possible replacements for our B-52 bombers.

We are giving equal priority to our other strategic force needs, such as:

— Our warning systems are being improved.

— We are developing increased accuracy for all our missiles — ballistic and cruise.

— We are upgrading our communications and ability to use those communications selectively.

— New warheads soon will be deployed, and advanced avionics systems for our bombers are being tested.

Right now, even after a Soviet surprise attack, we could deliver literally thousands of thermonuclear weapons to targets in the Soviet Union. Despite the improving Soviet offensive and defensive forces, that capability of ours is not going to decline in the future. It is going to increase.

In response to the potential threat new Soviet ICBMs pose to our ICBMs, I have asked the military services and the Joint Chiefs of Staff to consider a number of options to enhance the survivability of that leg of our nuclear deterrence triad — a triad which is composed of bombers and cruise missiles, submarine-launched ballistic missiles, and inter-continental land-based missiles. A number of mobile ICBM basing concepts are being evaluated, including some involving alternate launch points for each missile. This concept envisions moving missiles and their launchers among multiple sites which might themselves be hardened, thus substantially complicating Soviet targeting of our deterrent.

No decision has been made whether or not to deploy mobile ICBM systems, like the alternate launch point system (or multiple aim point system, as it is sometimes called) that I just mentioned. Nor have we decided which particular concept we would implement, if we were to elect to deploy a mobile ICBM system. The current and projected capabilities of our strategic forces give us time to study thoroughly questions of technical feasibility, military effectiveness and cost prior to making decisions about deploying mobile ICBMs.

Any mobile ICBM basing system would, of course, have to be fully consistent with all provisions — including verification provisions — of a strategic arms limitation agreement. The United States will not deploy a mobile ICBM system that would not permit adequate verification of the number of launchers deployed, and other provisions of the agreement. You may be confident that we will insist that any Soviet system meet the same verification standards.

The parts of the joint draft text of the SALT II agreement that have already been agreed allow deployment of mobile ICBM systems of the types we are considering. The draft agreement explicitly permits deployment of mobile ICBM launchers during its term, after the expiration of an interim protocol period which would end well before mobile ICBM systems would be ready for deployment.

I know that some of you are concerned about SALT. I want to assure you that no SALT agreement will be signed unless it is in the interest of the United States to sign it.

That means particularly that it must not undermine our military security. An acceptable strategic arms limitation agreement is not going to weaken the U.S. second-strike capability that I have described.

Let me turn finally to conventional forces. Despite our global responsibilities, we already are well equipped to deal with contingencies that allow ample time for readying and deploying our forces. If NATO could be sure of a month or more to set up its defenses, for example, I doubt that any Soviet marshal would recommend an attack on Western Europe.

Unfortunately, however, we and our allies no longer can count on having that kind of time. The Soviet theater forces have changed most significantly, not in numbers, but in their ability to wage short, intense, non-nuclear campaigns using large, modernized forces, with relatively little advance preparation. In consequence, as General Haig, the Supreme Allied Commander in Europe, recently observed, surprise attack has become more feasible. Our needs have changed accordingly: not toward larger forces, but toward higher combat-readiness, greater short-run sustainability, improved interoperability with allies, and more long-range mobility for the forces we already have.

Don't misunderstand me; I recognize the need for modern weapons. We need improved equipment. But our modern weapons in order to be useful must be fully effective. Therefore, the members of our Armed Forces must be able to maintain them, adequately train on them, and get them into a combat theater before our defenses are overrun.

Combat effectiveness depends on many factors. We must keep the size of our forces, their modernization, their readiness (including their mobility) and their sustainability, in balance — especially when the incentives for surprise attack and short, intense campaigns have gone up. Spending money on spare parts, unit training, and field exercises may not grab the headlines. But considering the investment we already are making in hardware, that is the right way at the right time to neutralize the Soviet buildup. That is what the President had in mind, as I said earlier, when he sent the Defense Authorization Bill back to the Congress last week, with a request to put our dollars where they will provide us the greatest protection from the Soviet military effort.

An adequately and properly balanced Defense budget, then, is one way we assure our security against the Soviet military threat. It is a necessary way, but it is not the only one. Although some may still be skeptical about arms control agreements — and it is a particular responsibility of mine not to be gullible about them — such agreements are another and complementary way of dealing with Soviet military efforts. The interests of the Soviet Union and the United States clearly diverge in many important respects. But the Soviets understand that, as long as we remain strong — and I intend that we will — direct conflict with the United States and its friends could quickly lead to disaster. At a minimum, they share our interest in avoiding such a conflict. And there are other problems of mutual concern on which communication remains necessary and cooperation should be possible. We cannot afford to ignore those possibilities.

As matters now stand, we are well positioned for further competition and an arms buildup, and we will have to improve our defenses. But that is not our preferred path, if we can obtain security, stability, and predictability through precise, equitable, and verifiable arms control. In that case we prefer agreed restraints and reductions to competition and buildups. As a Nation, we have no vested interest in arms races.

Our preference for restraint is bound to be especially strong where nuclear forces are concerned. I say this for several reasons. Nuclear weapons represent the only real threat to the physical survival of the United States and, for that matter, to that of the Soviet Union. Those weapons could destroy in hours all that the two nations have built over centuries.

This is not to say that agreements to limit strategic or other armaments can solve all problems, remove all grounds for fear and suspicion, or bring all competition to a complete halt. But carefully drawn agreements — backed by verification of compliance with them — can accomplish a great deal.

— They can make the achievement of future advantage even more unlikely, while allowing current vulnerabilities to be removed.

— They can make future structures more predictable and lower the need for extreme conservatism in our defense planning.

— They can contribute to a healthier political environment, an environment in which still further restraints can be imposed on both sides according to the principle of equivalence.

I do not see any immediate prospect of achieving a mutual end to competition in military strength. A reasonable objective today is to maintain the modest momentum toward arms control. But arms control as such, I can assure you, is not our sole or even principal objective in SALT. What we want, what we insist on, is that the security of the United States and its allies be at least as assured with a SALT agreement as without it. If an agreement does not meet that test, it will not be signed. If it does, it will be.

But with or without SALT, our Defense programs will, in the main, have to continue. As we proceed with them, the issue is not whether to have as much defense as we need to protect our domestic and foreign interests. Nobody should doubt the absolute priority of that requirement. To the extent that there is an issue, it is over what, in detail, constitutes the necessary defense.

Experts can argue for hours — my own time is heavily involved in such considerations — about how important, absolutely or relatively, it is to add a seventeenth Army division, to the 16 divisions we now have, a twenty-seventh fighter-attack wing, to the 26 fighter-attack wings we now have, or a thirteenth attack carrier. The fact of the matter is that, with the force structure we already have, individual changes of that order are not going to make much difference to our overall military effectiveness. But changes in our ability to maintain, move, supply, and operate professionally the weapons already in our inventories can make all the difference in the world in our effectiveness, and in our deterrent power. You can recall your own military experiences. You probably remember the difficulties of performing your mission when weapons and equipment were not in adequate supply, or not functioning properly, or down for lack of spare parts.

The President and I want fully effective forces. Real readiness to fight is the most effective counter to the Soviet military threat. We must not drift back toward the old strategy of sacrificing immediate readiness but counting on a long time for mobilization — a strategy that was barely feasible in the 1930's. Today we do not have luxury of time, and combat-readiness and quick response are what we need. As Secretary of Defense, I with the concurrence of the President intend to shape and provide for our forces to meet those very real requirements. You are a group who because of those very real requirements can understand this. I hope I will have your support.

In closing, let me add that there is another and more fundamental reason why priority should go to combat-readiness, assuring the immediate fighting capability of our people in uniform. It is that only people — professionally trained people with high morale — can make our weapons work. Even pushbuttons have to be pushed.

As the Legion knows better than most, people are the greatest asset we have in defense. Technologically, we have a comparative advantage over the Soviet Union. But it is not nearly as great as the advantage we obtain from being a free people. The Soviets may be able to close the gap in weapons production and to narrow the gap in military technology. They will never come close to the spirit, the dedication, and the initiative of the men and women in the Armed Forces of the United States.

You, our veterans, gave us the margin necessary to victory in the past. The men and women of our Armed Forces today offer us the opportunity for the same decisive margin. As long as I am Secretary of Defense, I intend to make the most of it. In doing so, I need, and I am sure I will have your support.

NATIONAL COMMANDER SMITH: Mr. Secretary, we appreciate very much your coming and being with us. We know that, as I have traveled this year, as National Commander of The American Legion, when the subject of the military came up, it has always been our position that this Nation should have a strong military posture, that we cannot afford to have anything else if we are to continue to be the leading Nation in the free world.

We are concerned in many areas, as I am certain you are, of what might be the apparent giving of some concessions in the SALT Arms Limitation talks, maybe before it should have been done at the bargaining table. But I can assure you, sir, that The American Legion is an organization of 2.7 million members dedicated to the principles of God and Country, and that this Nation, the strongest Nation on the face of this earth shall continue to be strong and to be free and to be the leading Nation of all nations, because we believe we have the will to continue to be that, as our forefathers had it when they founded this Nation.

REPORT OF CONVENTION COMMITTEE ON LEGISLATION AND RULES

Albert Brown, Jr. (Texas) Chairman

Forty-three members of your Committee on Legislation and Rules met in the Hyatt-Regency Hotel on August 20, 1978, and agreed to the following report which is respectfully submitted for your consideration.

The Committee was called to order by Mylio S. Kraja, Liaison Representative appointed by the National Adjutant to act as temporary chairman. Roll call was taken with a quorum present. The duties of the Standing Convention Committee on Legislation and Rules were read to establish guidelines governing the purpose and responsibilities of the Committee. Mr. Kraja then entertained nominations for the election of Chairman and Secretary.

Albert D. Brown, Jr., of Texas was elected Chairman and Robert (Sam) Murphy of Massachusetts was appointed Secretary of the Committee and the rules of the Convention were formally adopted.

Mr. Brown then presented National Commander Robert Charles Smith for the purpose of introducing Senator Alan Cranston (California), Chairman of the Senate Committee on Veterans Affairs.

Senator Cranston addressed your Committee and outlined the major legislative initiatives and accomplishments of his Committee affecting veterans and their survivors. He also outlined some of the problems we in the veteran community face in future Congresses, especially in the area of budgetary limitations that will impact on all federal funding programs. Senator Cranston praised The American Legion for its effective legislative program and commended National Commander Robert Charles Smith for the role he has played in the pursuit of our legislative objectives.

Four resolutions were referred to your Committee on Legislation and Rules for consideration and appropriate action.

Rejected Resolutions

Resolution No. 207 (New York) — "Denouncing Senators Who Approved Ratification of Panama Canal Treaties"

Resolution No. 218 (Ohio) — "Denouncing Senators Who Approved Ratification of Panama Canal Treaties"

Resolution No. 259 (Illinois) — "Federal Legislative Proposals"

Resolution No. 456 (District of Columbia) — "Lobby Reform Legislation"

As we meet here in New Orleans, the House of Representatives has just embarked on a brief Congressional recess and is due to return the first week in September to face a heavy legislative schedule. The Senate is not taking a summer recess this session in order to consider a number of priority appropriations bills and, if problems can be resolved, final consideration of a national energy package.

A number of legislative issues of deep concern to The American Legion must still be resolved before the Congress adjourns sine die on October 14. House-Senate conferees will be appointed in about two weeks to resolve the differences of pension reform legislation. Enactment of a meaningful pension reform bill this year will satisfy **Resolution No. 360** that came out of the Denver National Convention last year. It also appears that Congress will pass and the President will sign a bill to substantially increase the monthly rates of disability benefits for our service-disabled veterans and their survivors.

The hottest issue for the Legion in the remaining days of the 95th Congress concerns the retention of Veterans Preference. The Senate Governmental Affairs Committee has recommended that Congress keep Veterans Preference benefits intact. However, the House Post Office and Civil Service Committee has proposed a one-shot 15 year time frame to utilize veterans preference and a floor fight is expected. New York Congressman Jim Hanley will offer an amendment to accomplish basically the same thing as recommended by the Senate, that being that nothing happen to Veterans Preference.

The influence of the Legion in pursuit of meaningful legislation is being felt where it counts most . . . on Capitol Hill. Well over half of our legislative resolutions have been satisfied this Congress and when one considers that 20,000 bills are introduced in an average Congress, the record of achievement is substantially augmented.

The report was adopted.

NATIONAL COMMANDER SMITH: For the second portion of the report from the Credentials and Other Internal Matters, the Chair will recognize Jimmy Dean, the Chairman.

REPORT OF CONVENTION COMMITTEE ON CREDENTIALS AND INTERNAL MATTERS

James P. Dean (Mississippi) Chairman

Section II, Other Internal Matters

Forty-six resolutions were received and reviewed by the committee. Of these, four were rejected; twenty-one were referred; and twenty-one were approved either as submitted or with slight editorial changes. (It should be noted that six resolutions concerning the creation of a Convention Committee on Law and Order were consolidated into one resolution.)

Rejected Resolutions

Resolution No. 137 (Minnesota) — "Alignment of the National Conventions of The American Legion and the Forty and Eight." (The Forty and Eight has not asked to become affiliated with The American Legion.)

Resolution No. 151 (Wyoming) — "American Legion Eligibility Dates." (Not in proper form for a Constitutional amendment and does not provide proper documentation between wartime and peacetime service.)

Resolution No. 493 (France) — "National Vice Commander's Visit to American Legion Department of France." (It was felt that the assignment of the National Vice Commanders was the prerogative of the National Commander of The American Legion.)

Resolution No. 494 (France) — "Remember June 6 International Open Chess Tournament at Paris Post No. 1, France." (The resolution asks for a grant of monies from an existing grant. It was also felt that this was not germane to The American Legion since it involves only one of our 16,000 Posts.)

Referred Resolutions

To Trophies, Awards and Ceremonials Committee:

Resolution No. 66 (Massachusetts) — "Ceremonials Use of the Pledge of Allegiance at all levels of The American Legion."

Resolution No. 206 (New York) — "MIA Prayer be Included in Memorial Day Service Conducted by The American Legion."

To The American Legion Magazine Commission:

Resolution No. 97 (Maine) — "American Legion Magazine."

Resolution No. 122 (Michigan) — "American Legion Magazine."

Resolution No. 129 (Indiana) — "American Legion Magazine Policy."

To the National Convention Commission:

Resolution No. 175 (Washington) — "Invitation to Hold a Future American Legion National Convention in Seattle."

To the Emblem Committee:

Resolution No. 202 (New York) — "The Sons of The American Legion Grave Markers."

Resolution No. 489 (Hawaii) — "Hawaii Department Cap Insignia."

To the Internal Affairs Commission:

Resolution No. 120 (Mississippi) — " 'The Fairness Doctrine' of the Federal Communications Commission."

Resolution No. 138 (Minnesota) — "Initiation of a National American Legion Public Relations Program to Promote the Rights and Benefits of Vietnam Veterans."

Resolution No. 201 (New York) — "World War II Television Series by Time-Life Corporation."

Resolution No. 203 (New York) — "Repeal of Resolution No. 6, National Executive Committee, October 10-12, 1952, Pertaining to The American Legion Affiliation with Other Groups and Organizations."

Resolution No. 276 (Virginia) — "Granting of a Life Membership in The American Legion to Members with 50 or More Years Membership."

Resolution No. 423 (Maryland) — "President Jimmy Carter."

Resolution No. 204 (New York) — "Designate Mr. Hamilton Fish, Sr., Honorary Past National Commander of The American Legion."

Resolution No. 46 (Nebraska) — "Update American Legion Plaque Located in the Hall of Medals at Arlington National Cemetery so as to Include the Vietnam War Veterans."

Resolution No. 6 (Florida) — "Change in American Legion Energy Policy."

Resolution No. 233 (California) — "Energy."

Resolution No. 234 (California) — "Energy."

Resolution No. 252 (Illinois) — "Establish ROTC Commission at the National level of The American Legion."

Resolution No. 497 (Arkansas) — "Energy."

Approved Resolutions

Resolution No. 131 (Indiana) — "Obsolete M-1 Army Rifles"

WHEREAS, The United States Department of Defense has recently announced its intention to take up the matter of disposal of the now obsolete M-1 Army rifles, and blank ammunition; and

WHEREAS, It would be in the best interest of this Nation, The American Legion and other Congressionally chartered veterans and other organizations who sponsor color guards and ceremonial teams, to have access to said M-1 rifles, blank ammunition; and

WHEREAS, Immediate adoption of this resolution be sought, and passed on to the Department and National Organizations of The American Legion; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion does hereby urge that the U.S. Department of Defense withhold a large enough number of the obsolete M-1 Army rifles and blank ammunition, to be made available for color guards and other ceremonial teams whereby applications for such M-1 weapons be properly processed and issued according to laws and rules and regulations involved, that such other older rifles be returned and a full accounting made of any missing rifles.

Resolution No. 327 (Missouri) — "That General 'Chappie' James Be Posthumously Honored"

WHEREAS, The recent death of a high-ranking member of the military forces of this Nation has saddened the hearts of many citizens; and

WHEREAS, This man at all times stood as an outstanding exponent of Americanism, in its truest sense of justice for all mankind, regardless of race, origin or creed; and

WHEREAS, His service to God and Country carried out the very vital concepts of our American Legion; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That General "Chappie" James be posthumously honored by said National Convention in such manner as other heroes of our Nation have been honored.

Resolution No. 205 (New York) — "The Fort Wadsworth Committee for a 'Living National Park Memorial' "

WHEREAS, The Fort Wadsworth Committee for a "Living National Park Memorial" (1636 — has set forth the following five aspirations; and

WHEREAS, The first is that the Fort Wadsworth Reservation's two hundred plus acres be kept under U.S. Army control with detachments from all five branches of the services protecting and preserving it as our oldest continually manned Fort (1663) thus becoming a "show place" of our Armed Forces; and

WHEREAS, The second is the listing of Fort Wadsworth by the National Park Service as a "Living National Park Memorial" (memorializing all past, present and future veterans); and

WHEREAS, The third is the establishing of an Armed Forces' Residence for retired members of the five branches of the services in the existing building and/or new buildings; and

WHEREAS, The fourth is the designating of the Fort's seashore acres for use by retired and active personnel billeted on the Fort and bivouacking youth organizations (boy and girl scouts, veterans' groups, etc.); and

WHEREAS, The fifth is for this Committee to continue and expand upon existing national and community activities and to sponsor patriotic, youth-involved ceremonies with assistance, participation and facilities from our Armed Forces. This Committee has held the following ceremonies:

POW/MIA Interfaith Service on July 4, 1978;

Congressional Medal of Honor and Unity Day Interfaith Ceremonies on June 24, 1973 and 1974;

Student's Petition Day at the United Nations for our MIAs and POWs on May 24, 1974;

Resolution No. 3220 resulted with passage by General Assembly with 95 votes favoring — none against;

Interfaith Day of Prayer for our MIAs and POWs on January 8, 1975;

Eternal Flame design drawings presented to Committee by Rock of Ages, Barre, Vermont, on May 11, 1976;

Bicentennial Bus Tour of Fort Wadsworth on September 30, 1976;

Official New York State Bicentennial Tour of New York Harbor on October 17, 1977; etc.; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we support the Fort Wadsworth Committee by calling upon the Congress of the United States to enact the Fort Wadsworth Committee's legislation to bring into reality the above five aspirations.

Resolution No. 130 (Indiana) — "Upholding the United States Right to Name Landmarks"

WHEREAS, During our Country's 1976 Bicentenary, scores of revolutionary groups did engage in all kinds of speech-making, writing and demonstrations to discredit our National Heritage; and

WHEREAS, These unpatriotic activists occupied historic sites, desecrating Washington's Monument; Lexington and Concord; the Statue of Liberty, denying school delegations entry; doing $2 million of damage to the Bureau of Indian Affairs, carting off truckloads of historic documents; and

WHEREAS, Another act of downgrading the glory and tradition of our land, is the proposal by one of Alaska's Senators, Mike Gravel, and a small minority of other Alaskans, to change the name of Mt. McKinley, the 20,320 feet peak, to Mt. Denali, by which it is known to a few Indians in the area. After U.S. purchase of Alaska from Russia, it was named Mt. McKinley in 1896 honoring the 25th American President; and

WHEREAS, Citizens of Ohio feeling such needless name-change would be an insult to the memory of a distinguished son of their State, are through their Congressman Ralph Regula, protesting the intent of Senator Gravel; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we hold that geographic name-changing is not regarded lightly in that it might set dangerous precedent in deAmericanizing Alaska perhaps coveted by another nation; and, be it further

RESOLVED, That copies hereof be transmitted to the National Convention for its action in informing the U.S. Board of Geographic Names of our opposition, and the Department of Ohio of The American Legion.

Resolution No. 123 (Michigan) — "Interment of an Unknown Soldier from the Vietnam War in Arlington National Tomb of the Unknown Soldier"

WHEREAS, The American Legion is an Organization of war veterans who have dedicated themselves to the service of the Community, State and Nation; and

WHEREAS, We of The American Legion firmly believe that the veterans of the Vietnam Conflict should be unquestionably afforded all of the rights, privileges, and honors of the many veterans of our Nation's preceding wars who have fought bravely and gallantly in the cause of peace for all mankind; and

WHEREAS, It has been brought to the attention of this assemblage that the earthly remains of an Unknown Vietnam Veteran, whose life was given in sacrifice to the ideals for which our great Nation was founded, has not yet been interred in the Tomb of the Unknown Soldier at Arlington National Cemetery, near our Nation's Capitol, with the full measure of the highest military honors that this Nation can bestow on an American citizen and member of the Armed Forces of this great Nation; and

WHEREAS, It is known that the bodies of three such veterans remain interred in Hawaii, their identity known only to God; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the bodily remains of an Unknown Vietnam War Veteran should immediately be interred in the Tomb of the Unknown Soldier in Arlington National Cemetery, thereby taking his rightful place beside his fallen comrades, known only to God, who have fought and given the supreme sacrifice in the preceding great wars of this great Nation; and, be it further

RESOLVED, That even if only a small portion of this Vietnam Veteran's body still remains, the small and insignificant remains of the earthly body that once held the soul of this American, which has long since departed and taken his place in Heaven to mingle with the souls of our many comrades who have gone on before him in the service of this great Nation to reside with our Father and to guard the streets of Paradise; and, be it finally

RESOLVED, That these remains shall be interred for posterity in a place of honor near our Nation's Capitol as a reminder to all Americans that this American fighting man gave his all for the principles of Liberty and Justice and Democracy in the honor of this great and bountiful Country, the United States of America.

Resolution No. 5 (Florida) — "Reaffirmation of the Energy Policy of The American Legion"

WHEREAS, The American Legion adopted an Energy Policy at the Spring 1977 National Executive Committee meeting which put us firmly on record, not just for support of a clearly defined energy policy, but making recommendations toward the achievement of energy self-reliance in the next ten years; and

WHEREAS, The responsibility for developing an effective American Legion approach to these problems that have a bearing on the life of every living person, and perhaps all living things, has been placed under the jurisdiction of the Internal Affairs Division; and

WHEREAS, The American Legion supports the Administration Policy insofar as it tends to decrease reliance on foreign fossil fuels and develop our internal energy resources available and prospective; and

WHEREAS, The American Legion at the 59th National Convention adopted **Resolution Nos. 514** — urging the President of the United States and the Department of Energy to implement policy and plans to reduce energy usage while preserving a reasonable standard of living with continued growth to preserve jobs for veterans and all Americans;

515 — urging each Department, District, County and local Post appoint an Energy Chairperson;

517 — that The American Legion initiate an energy conservation program within each Department; and

518 — that The American Legion sponsor a series of forums or discussions throughout the Country involving all groups concerned with energy and environment, not to debate, but to search for common acceptable solutions to our energy problems; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we unanimously reaffirm this policy, endorse this policy and encourage the Internal Affairs Division of The American Legion to actively pursue this policy.

Resolution No. 14 (North Dakota) — "Energy"

WHEREAS, Much of the economic difficulty we are experiencing at home and the erosion of the dollar abroad can be traced to this Nation's need for energy; and

WHEREAS, We now import over 50 percent of our oil, natural gas reserves are falling far behind demand, and electric generating plant construction is lagging far enough behind to prompt predictions of blackouts during the 1980's; and

WHEREAS, Energy is essential to our maintaining our world leadership in industry, human rights, quality of life, political and military freedom; and

WHEREAS, Our leadership in these areas is being threatened at home and abroad because of the Nation's delay in establishing a coherent national energy policy; and

WHEREAS, Our very future depends on a timely effort by government, business and industry and the American people all working together; and

WHEREAS, The great energy debates have left the American citizen with more questions than answers, yet the American people cannot respond to the energy dilemma without a thorough understanding of the problem; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That

(a) Americans must be told of the need to speed up government's decision-making process;

(b) Americans must be advised as to the costs, alternatives, and consequences of various energy solutions;

(c) Americans must also be encouraged to conserve energy;

(d) Americans must decide on an appropriate balance between environmental goals and energy production;

(e) Americans must be made aware of the need to shift from imported fuels to those energy forms available domestically in abundance; and

(f) Intelligent and comprehensive methods must be chosen promptly to bring better balance between this Nation's domestic energy supply and its needs, all of which are vital to our people, our economy, and our national security.

Resolution No. 19 (New Hampshire) — "Energy"

WHEREAS, The current energy crisis is the greatest and most serious threat to the economy of the United States of America; and

WHEREAS, The current deficit in our balance of payments with other nations has done more than any other factor to fuel the fires of inflation; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled inNew Orleans, Louisiana, August 22-24, 1978, That we earnestly request the President and Congress of the United States to cease all partisan and special interest policies and instead immediately adopt a bipartisan policy of energy conservation, development and research which will use the best technological minds of our Country in its development, and, be it further

RESOLVED, That the development of such a program shall take precedence over all other business in the Congress so that we may achieve energy independence at the earliest possible time.

ResolutionNo. 85 (Montana) — "Energy"

WHEREAS, The American Legion since its founding has been active in promoting policies and programs and carrying them out to assure the wellbeing of its citizens, including war veterans, their families and survivors, and to guarantee national security; and

WHEREAS, One of the greatest needs for the American people and for the defense of this Country now is adequate energy to assure a productive economy, opportunity for the young and for minority groups, for veterans in need of jobs, for the handicapped whose abilities are multiplied by abundant energy, and for our national security; and

WHEREAS, Conservation is important to stretch out the available supplies of energy in homes, businesses, industry, transportation and everywhere around us; and

WHEREAS, New domestic supplies of energy, both renewable and nonrenewable, must be discovered, developed and utilized; this includes solar power, wind power, coal, oil, oil shale, natural gas, nuclear and hydroelectric power where practicable; and

WHEREAS, About half of our oil requirements now are being met from Mideast sources at exorbitant cost to our Nation, fanning the fires of inflation, seriously jeopardizing our economy now and in the years to come and making our defenses subject to the whims of foreign powers that could render us helpless by merely turning off the valve in the oil pipeline feeding us, and

WHEREAS, It is essential that development of energy resources proceed for the common good to assure economic growth, as emphasized by Dr. James R. Schlesinger, Secretary of the Department of Energy; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That favors conservation of energy and development of new and traditional sources of energy within our Nation as expeditiously as possible, eliminating costly and time-consuming red tape. The importance of protecting the environment must be considered along with recognition that it is not practical to attain near-perfect air and water purity outside the laboratory. Excessive litigation and governmental indecision and duplication threaten to bring this Country face to face with the specter of energy malnutrition if not starvation. As we did during wartime, let's roll up our sleeves and get on with the job of producing the energy we need and which we are supremely capable of doing.

Resolution No. 200 (New York) — "Energy (Amended)"

WHEREAS, The United States accounts for about one third of the world's total energy usage, which has helped develop our great industrial strength, provided for our National security, and made possible our high standard of living; and

WHEREAS, The United States now imports more than half its oil while our domestic supplies of oil and natural gas continue to diminish with each passing year; and

WHEREAS, Our Nation is, consequently, facing an energy crisis which threatens our economic growth, our employment and our very national security; and

WHEREAS, Concern over the environment has frequently had an adverse effect on properly safeguarded exploitation of such abundant and much-needed national energy resources as uranium and coal, resulting in debates that have left the American citizen with more questions than answers; and

WHEREAS, Our Administration and Congress still cannot agree on an energy policy for our country more than a year after the President's energy program was introduced, partly because of the unawareness of many Americans of the seriousness of the energy crisis; and

WHEREAS, Even though government plays a role in educating the American people as to the energy crisis, nongovernmental organizations also have a responsibility to provide various segments of the public with accurate information; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion will cooperate with leaders of government, business and industry to educate the American public about our national needs to shift from energy dependence on oil and natural gas to the far more abundant domestic coal; to understand the costs and alternatives involved in developing an appropriate balance between environmental protection and essential energy production; to launch a national effort to explore and develop new energy sources, particularly sources of renewable energy; to maintain a continuing national awareness of the seriousness of the energy crisis and the consequent need for using all our available national energy resources wisely and not wastefully.

Resolution No. 251 (Illinois) "Energy (Amended)"

WHEREAS, The United States uses a large share of the world's energy relative to its share of the world population; and

WHEREAS, The energy produced and consumed has helped to develop our great industrial strength, provided for national security needs, made possible our standard of living, and created jobs for our people; and

WHEREAS, Such consumption has also created problems for the Nation, not the least of which is the problem of the Nation's security; and

WHEREAS, The United States now imports over 50 percent of its oil needs and inflation has eroded its purchasing power; and

WHEREAS, Domestic oil and natural gas supplies are diminishing with each passing year; and

WHEREAS, Concerns over the Nation's environment have had an adverse impact on the production of needed domestic energy sources, causing great debates over the future of nuclear power for peaceful purposes, leaving the American citizen with more questions than answers; and

WHEREAS, The Administration and the Congress cannot agree on a coherent National energy policy and blame part of the problem on a lack of awareness by the American public of the seriousness of the energy problem; and

WHEREAS, The American People cannot respond to the energy dilemma without a thorough understanding of the problem; and

WHEREAS, It is clear that there must be a shift from oil and natural gas to the more abundant domestically produced coal; and

WHEREAS, To determine the necessary balance between environmental goals and essential energy production, the American people should be advised as to the costs, alternatives, and consequences; now, therefore, be it

RESOLVED, That The American Legion, through its Departments, Districts, and Posts, continue to develop information and encourage public forums to better inform its members and fellow citizens on energy matters; and, be it further

RESOLVED, That The American Legion as a Patriotic Organization concerned with National Security, representing all segments of citizenry in all sections of the United States, urge the government to make an effort to explore and develop new sources of energy, particularly renewable energy forms; and, be it further

RESOLVED, That The American Legion also urge the government agencies to speed up the decision making process so that all sections of the country will have some certainty in their planning the wise use of all available energy resources; and, be it finally

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That they concur with the provisions of this resolution.

Resolution No. 353 (Oklahoma) "Energy (Amended)"

WHEREAS, The United States uses a large share of the world's energy relative to its share of the world population. While the energy produced and consumed has helped to develop our great industrial strength, provided for national security needs, made possible our standard of living, and created jobs for our people, such consumption has also created problems for the nation, not the least of which is the problem of the Nation's security; and

WHEREAS, We now import over 50 percent of our oil needs and inflation has eroded our purchasing power. Domestic oil and natural gas supplies are diminishing with each passing year. Concerns over the Nation's environment have had an adverse impact on the production of needed domestic energy sources. The great debates over the future of nuclear power for peaceful purposes have left the American citizen with more questions than answers. The administration and the Congress cannot agree on a coherent national energy policy and blame part of the problem on a lack of awareness by the American public of the seriousness of the energy problem; and

WHEREAS, The American people cannot respond to the energy dilemma without a thorough understanding of the problem. While government can play a role in conveying this understanding, non-governmental organizations have a responsibility to provide various segments of the public with accurate information; and

WHEREAS, It is clear that there must be a shift from oil and natural gas to the more abundant domestically produced coal. In determining the necessary balance between environmental goals and essential energy production, the American people should be advised as to the costs, alternatives, and consequences. We need to make a maximum effort to explore and develop new sources of energy, particularly renewable energy forms. The nation must make wise use of all its available energy resources. The government agencies must speed up the decision-making process so that all sectors of the country will have some certainty in their planning; and

WHEREAS, We must recognize that energy and national security are closely related; and

WHEREAS, Growth and employment are also closely related. Our very future depends on a timely effort by government, business and industry and the American people all working together. That effort must combine an intelligent approach to conservation, essential energy development, and concern for the environment; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, does hereby go on record as encouraging and urging Congress and the President of the United States to work with cooperative spirit in developing a National Energy Policy in the interest of our national security.

Resolution No. 514 (Convention Committee on Credentials and Other Internal Matters) — "Urge Adoption and Support of a National Organ Donor Registration Program"

WHEREAS, The American Legion and American Legion Auxiliary, Department of Minnesota, and the Kidney Foundation of the Upper Midwest, have entered into a working agreement in a program known as the "Gift of Life" organ donor registration program; and

WHEREAS, The "Gift of Life" program was made practical by the passing of the State Legislature in its 1969 session of the Uniform Anatomical Gift Act, which provides simple mechanisms for the donating, harvesting and transplanting of human organs, and like Acts have been passed in 47 other States; and

WHEREAS, The program has the approval and cooperation of the Minnesota State Medical Association, the three major organ transplant centers, other medical organizations and authorities, law enforcement agencies, churches, and service organizations; and

WHEREAS, The Kidney Foundation provides materials, supplies, technical knowledge, and acts as the clearing house and focal center, and the Legion and Auxiliary provide assistance with public information and education and donor registration centers; and

WHEREAS, So far, more than 120 Legion Posts and Auxiliary Units have submitted reports of their cooperation, having issued local news releases, spreading of information and manning registration centers and submitting donor registration cards; and

WHEREAS, In its first six months of participation, Legion Posts and Auxiliary Units have been credited with the recording of approximately 20,000 transplant donor registrants to the Kidney Foundation; and

WHEREAS, The Minnesota American Legion Posts and Auxiliary Units will continue to function as the year-around registration agents and centers, thus providing their respective communities with a constant flow of communication with the Kidney Foundation Clearing Center in this living bank, life-saving program; and

WHEREAS, The Department of Minnesota American Legion and Auxiliary consider this humanitarian program to be one of unusual opportunity for service to their community service programs, with attendant widespread publicity through dissemination of information, the program having been favorably and prominently reported through nearly all of Minnesota's more than 500 newspapers, radio and television news outlets; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support a National Organ Donor Registration Program during the 1978-1979 American Legion Year.

Resolution No. 515 (Convention Committee on Credentials and Other Internal Matters) — "Urge Support For Lake Placid, New York, 1980 Winter Olympic Games"

WHEREAS, The American Legion has, in the past, supported United States participation in the Olympic Games; and

WHEREAS, The Olympic Games support our Country and form of government; and

WHEREAS, The 13th Olympic Winter Games will be held in Lake Placid, New York in 1980; and

WHEREAS, The site of the 1980 Winter Olympic Games at Lake Placid, New York, will become a permanent base for training United States Olympic contenders; and

WHEREAS, America does not subsidize the Olympic Program; and

WHEREAS, The United States should take a permanent leadership role in the Olympic competition; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support the 13th Olympic Winter Games to be held at Lake Placid, New York, in 1980.

Resolution No. 516 (Convention Committee on Credentials and Other Internal Matters) — "Appreciation to Host Department And City"

WHEREAS, The 60th National Convention has been held in New Orleans, Louisiana, August 18-24; and

WHEREAS, There has been a warm feeling of cooperation and friendship evidenced by the Legionnnaires of Louisiana, the officers of the Convention Corporation and the Department, and by the officials and people of New Orleans; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we express our deep appreciation to the Department of Louisiana, to the city officials of New Orleans, to the 1978 National Convention Corporation of New Orleans, to local citizens and Legionnaires, and especially to Albert V. LaBiche, President of the Corporation; William M. Detweiler, Vice President and General Counsel; Gus Kraus, Treasurer; George C. Romback, Secretary, and to Philip Mayeaux, Department Commander. Around this nucleus has been built the moving force in providing for every necessity for a successful, enjoyable convention.

Resolution No. 473 (North Carolina) — "Creation of Convention Committee On Law And Order"

WHEREAS, The second clause of the Preamble to the Constitution of The American Legion reads "To maintain law and order;" and

WHEREAS, Law and Order continues to be a prime concern to The American Legion at the National, Department and Post Level; and

WHEREAS, No established method exists to consider resolutions referred to National Conventions of The American Legion by its various Departments on the subject of Law and Order; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That a Convention Committee on Law and Order is hereby established to function as a Subcommittee of the Convention Committee on Security and to consider and recommend action on resolutions concerning Law and Order which may be referred to it; and, be it further

RESOLVED, That the Uniform Code of Procedure for the organization of National Conventions of The American Legion be amended by inserting the words "Law and Order," "One Delegate each Department" after the phrase "Defense Civil Preparedness" in Item 10 under the heading "Convention Committee;" and, be it further

RESOLVED, That the Uniform Code of Procedure for the organization of National Conventions of The American Legion to be further amended by inserting the words "Law and Order" after "Defense Civil Preparedness" in Paragraph 10 of the section entitled "Duties of Standing Convention Committee."

Consolidated with this resolution are: **Res. Nos. 47** (Nebraska), **213** (Ohio), **275** (Virginia), **371** (Maryland), and **499** (New Jersey).

The report was adopted.

NATIONAL COMMANDER SMITH: For the purpose of a report by the Membership and Post Activities report, I recognize, prior to the formal recognition of those members of my team for the year 1978, for their exceptional leadership, the Chairman, Steve Carver.

REPORT OF CONVENTION COMMITTEE ON CREDENTIALS AND INTERNAL AFFAIRS

Steve Carver (North Carolina) Chairman

Section III, Membership

Forty-six members of your Committee on the Membership Section of Credentials and Internal Affairs met at 10:00 a.m., August 20, 1978, and agreed upon the following report.

Steve Carver (NC) was elected Chairman and Edward A. Schalk (IL) was elected Secretary.

Six resolutions were considered by your Committee — four were rejected; one was referred to the Membership and Post Activities Standing Committee and one was approved.

Rejected Resolutions

Resolution No. 53 (AZ) — "Past Department Commander Cap" (Distinctive recognition of Past Department Commanders is already available.)

Resolution No. 67 (MA) — "1980 Membership Contest and Post Quota" (The committee feels that the implementation of this resolution would reduce the effectiveness of the membership contest and quota systems.)

Resolution No. 253 (IL) — "Direct Billing Notices" (This resolution was rejected because optional second and third billing programs are already available and implementation of the resolution would create an unnecessary duplication of program costs.)

Resolution No. 254 (IL) — "Reject Membership of Any Veteran Who Received Amnesty By Virtue of the President's Recent Action" (Public Law No. 47, 66th Congress, "An Act to Incorporate The American Legion," subsequently amended, states in Section 5 [concerning eligibility] that "such person shall have an honorable discharge from such service.")

This Federal Act incorporating The American Legion does not dictate any condition how that discharge was earned. Any policy to preclude veterans holding honorable discharges, no matter how earned, would be in violation of this Federal Act.

President Carter's program for upgrading discharges does not provide any method for upgrading dishonorable discharges. The program is limited to those who received undesirable and general discharges. Therefore, **Resolution No. 254** would not have the effect intended.

Vietnam Era veterans who possess general discharges are eligible for membership in The American Legion. They are also included in the President's program. Theoretically, there may be Legionnaires who could be involved in the President's program who are members of our Organization.

The American Legion has represented veterans over twenty years before military review boards. The boards, prior to the President's program, had the right to upgrade discharges. It is then conceivable that there are Legionnaires who became eligible by having their discharge upgraded through this program. It would be impossible to single out these Legionnaires. It would then be impossible to identify veterans and their discharges in either program.

Referred Resolution

To M & PA Standing Committee

Resolution No. 517 (MD) — "Change in National Membership Quota System"

Approved Resolution

Resolution No. 518 — "Get Out the Vote November 7, 1978"

WHEREAS, On November 7, 1978, Americans will have the opportunity to exercise their privilege and obligation to vote; and

WHEREAS, Recent legislation efforts indicate that the effectiveness of an Organization is determined not only by its number of members, but also its ability to generate recognizable community activities; and

WHEREAS, Voter registration and Get Out The Vote activities are not only recognizable community activities, but also a necessary service; and

WHEREAS, The legislative efforts of The American Legion encompass mandates which express clearly the will of The American Legion membership for legislative improvements; now, therefore, be it

RESOLVED, That The American Legion Posts, Departments and the National Organization make every effort to encourage the membership of The American Legion to vote in the November 7, 1978, election; and, be it further

RESOLVED, That all Posts, Departments and the National Organization incorporate articles in existing publications which encourage voting in the November 7, 1978, election; and, be it further

RESOLVED, That each member of The American Legion be encouraged to support those candidates who support the legislative programs of The American Legion; and, be it finally

RESOLVED, By The American Legion, assembled in New Orleans, Louisiana, August 22-24, 1978, That we hereby renew our commitment to the principle that the American veteran has earned right to be represented in the legislative process by sacrifices and contributions made during wartime.

On Sunday, the delegates of the Convention were invited to participate in a two-hour Membership Rap Session. The Rap Session was extremely successful.

The report was adopted.

COMMANDERS "WHO DARE TO CARE"

NATIONAL COMMANDER SMITH: At this time I would like to honor those members of my team who showed exceptional leadership during the past year in the area of membership.

NATIONAL VICE COMMANDER ROGER MUNSON: Mr. Commander, the winning Post Commanders whose Post's 1978 membership as of March 31 was greater than the final membership for any year since 1960, make up our first category.

Frank E. Gilmore, Commander, Post No. 772, Fontana, California.

Homer Yeary, Commander, Post No. 329, Kanopolis, Kansas.

Christian Guerrette, Commander, Post No. 145, Frenchville, Maine.

Lee Sutliff, Commander, Post No. 502, Henderson, Michigan.

Eugene Wagner, Commander, Post No. 513, Minneapolis, Minnesota.

Emmett B. Case, Commander, Post No. 79, Wesson, Mississippi.

Dick Christian, Commander, Post No. 342, McCool Junction, Nebraska.

Harrison Tache, Commander, Post No. 120, Shiprock, New Mexico.

James F. Davis, Commander, Post No. 14, Bainbridge, Ohio.

Arlan A. Heffner, Commander, Post 625, Fleetwood, Pennsylvania.

Leroy Tolbert, Commander, Post No. 224, Greenwood, South Carolina.

Harvie Lewis, Commander, Post No. 66, Pikeville, Tennessee.

W. W. Melton, Commander, Post No. 300, Canton, Texas.

Leland Nicholas, Commander, Post No. 302, Oconto Falls, Wisconsin.

Glen Calver, Commander, Post No. 64, Medicine Bow, Wyoming.

District Commanders who competed in five District categories based on the size of their District, and whose District membership total, on May 1, 1978, exceeded the final membership of the District for the previous year make up your next category.

Category I

Henry Watson, Department of South Carolina

Category II

Charles A. Wilson, Department of Virginia

Category III

Elijah Richardson, Department of Georgia
Wilbur Horton, Department of Vermont
George Jeffries, Department of Arizona

Category IV

Jack Hopkins, Department of Florida
John Cyr, Department of New York
Franklin B. Tennyson, Department of Texas

Category V

Alvey M. Norwood, Department of Maryland
Roy Brown, Department of California
Sam Anderson, Department of Ohio

Our next category is 1978 Membership Chairmen whose Department attained an all-time high membership by 30 days prior to the National Convention.

Everett R. Selle, Department of Minnesota
Raymond C. Perkins, Department of Alaska
James R. Thomas, Department of Maryland
Andrew E. Buchta, Department of Florida
Robert Oakeson, Department of Arizona

In our fourth and final category, is the Department Commanders whose 1978 membership tops the final total of their 1977 membership by 30 days prior to the National Convention.

Roderick Devison, West Virginia
J. Ray Edmundson, Virginia
Carl A. Parkinson, Utah
Harvey Holcomb, Texas
E. Pearce Fleming, Jr., South Carolina
Luis A. Andujar, Puerto Rico
Max E. Robinson, North Carolina
Harry A. Taylor, New Mexico
George G. Holden, Nevada
Edward Cohn, Minnesota
R. Drew Wolcott, Mexico
Calvin E. Patton, Maryland
George E. Serr, Idaho
George L. Derrick, Florida
Lee Roehrman, Arizona
Wallace E. Utley, Alaska

These gentlemen deserve a solid round of applause for the outstanding job they did as Membership Chairmen in 1978.

NATIONAL COMMANDER SMITH: Is there any further business to come before this session of the Convention?

Delegates please join me in saluting the Flag.

(The delegates stood and saluted the Colors.)

NATIONAL COMMANDER SMITH: This Convention will stand in recess untill 9:00 a.m., August 23, 1978.

. . . At 2:30 p.m., the Convention recessed.

WEDNESDAY SESSION — August 23, 1978

. . . The Convention was entertained by organist Peter Ole prior to the meeting.

. . . The Convention was called to order by Robert Charles Smith, Louisiana, National Commander, at 9:00 a.m.

NATIONAL COMMANDER SMITH: The Convention will come to order.

The delegates will stand and join me in the salute to the Colors.

(The Colors being in place, they were saluted by the delegates.)

NATIONAL COMMANDER SMITH: The National Chaplain, Father Power, will offer the Invocation.

INVOCATION

Rev. Fr. Walter D. Power (Maryland)
National Chaplain

In our continued search for the solutions to the problems of our veterans and our Country, we earnestly beg, Father, for Your continued guidance and light more earnestly than ever in these days of unsure decisions.

We ask You to pour forth the light of Your Spirit upon these deliberations today and tomorrow that we may go forth from these halls not only refreshed, knowing that we have once again come to the cause of love of Thee and Country, but that we have made giant steps forward for the cause of peace. We ask this through Christ our Lord, Amen.

NATIONAL COMMANDER SMITH: The Convention is now in session.

The Chair now recognizes Daniel J. O'Connor, New York, Chairman of the Americanism Committee, for the purpose of making a report.

REPORT OF CONVENTION COMMITTEE ON AMERICANISM

Daniel J. O'Connor (New York) Chairman

Forty-seven members of your Committee on Americanism met at 10:00 a.m. on August 20, 1978, and in subsequent sessions and agreed on the following report which is respectfully submitted for your consideration.

Your Committee organized by electing Daniel J. O'Connor, New York, Chairman; Alvin P. Grauerholz, Kansas, Vice Chairman; and Jerome Irwin, Illinois, Secretary.

The Committee divided into Subcommittees, with Sidney R. Schwartz, Maine, serving as Chairman of The American Legion Baseball and Recreation Subcommittee; Alvin F. Grauerholz, Kansas, Chairman of the Counter-Subversive Activities Subcommittee; the Rev. Fr. John J. Howard, Virginia, Chairman of the Immigration and Naturalization Subcommittee; Jack W. Flynt, Texas, Chairman of the Boys State-Boys Nation, Youth Activities and Community Services Subcommittee; and Russell I. Grob, Washington, Chairman of the Education and Scholarship Subcommittee.

The delegates, and the Americanism Committee all of whom are delegates, emphatically expressed their concern for the weakening of the intelligence services of the United States because of the continued assault, particularly on the work of the FBI and the CIA. It is impossible to apprehend and arrest criminal conspirators without the assistance of informants who are either part of a conspiracy or who have been engaged in planning or actually participating in acts inimical to the security of the United States. Because of these assaults, informant sources are drying up, making the work extremely difficult. Constructive criticism is understandable and acceptable but efforts to emasculate the indispensable services of our intelligence agencies are destructive of the very purpose for which the American people authorized their creation and continued existence. The loss of the Internal Security Committee in the House of Representatives and the Subcommittee on Internal Security in the United States Senate have contributed to the decline of American strength and weakened our security. The delegates urgently request the reinstatement of these Committees to provide an avenue for ascertaining the individuals whose conspiratorial efforts are designed to weaken and destroy the American way of life.

The American Legion is deeply concerned about offering automatic citizenship to aliens who have not expressed a love for our Flag and our Country. Bear in mind, we have the problem of aliens being smuggled across our borders and the presence of aliens with prior criminal records. We have aliens who, in some instances, have gainful employment while Vietnam War veterans are still seeking employment. Bear in mind, also, that there are other aliens in the United States who have accepted Social Security benefits, unemployment insurance allowances and various forms of public assistance on our welfare rolls.

Remember, too, employed aliens have sent American dollars to foreign countries. It is the judgment of the delegates to the Convention Committee on Americanism that we take a strong stand in following time honored procedures to insure that aliens be required to apply for citizenship and demonstrate before admission that they really embrace our land and our Flag. If they do not wish to adopt our principles, we should have no hesitation in sending them back from whence they came.

As you know, millions from all over the globe have been admitted to citizenship in the past century, but they have manifested their desire and intention to be citizens of the United States, and that is what the delegates of the Americanism Commission are asking for in this report.

The delegates are vitally interested in eliminating the threats of domestic and international terrorists by lawful and Congressional inquiry into their activities.

Resolutions relating to the Federal Bureau of Investigation and the CIA were offered in calling upon all Americans to support these agencies in the lawful execution of their responsibilities.

Reestablishment of the House Committee on Internal Security and full fiscal implementation of the Senate Subcommittee on Internal Security to combat subversion and terrorism have been reflected by the delegates. Currently, House Resolution No. 48, sponsored by Congressman McDonald of Georgia, has 178 signatures and your support to obtain 218 signatures of House Members is needed. Current indications are that the whole signature process will have to begin again in the 96th Congress.

Your Committee considered a total of fifty-three (53) resolutions and submits the following recommendations:

Three (3) resolutions were approved; eight (8) resolutions were approved as amended; ten (10) resolutions were consolidated into two (2) resolutions and approved; twelve (12) resolutions were consolidated into four (4) resolutions and approved as amended; two (2) resolutions were received and recorded; eight (8) resolutions were referred to the National Americanism Commission for further study; and ten (10) resolutions were rejected.

Approved Resolutions

Resolution No. 445 (District of Columbia) — "Reaffirmation of American Legion Support of The Federal Bureau of Investigation's Program of Surveillance and Reporting Upon Parties, Groups and Individuals Whose Actions are Inimical to the Domestic Security of the United States"

WHEREAS, There exist in the United States groups whose clear and avowed mission is the overthrow of our free institutions and our form of government; and

WHEREAS, From time to time groups or individuals plan and engage in terroristic acts which are harmful to people and property, and have as their purpose to embarrass and discredit the United States or intimidate its leaders or its citizens or to accomplish some other illegal objective; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion reaffirm its support for the F.B.I. as it continues its legal and proper program of surveillance and reporting upon parties, groups and individuals whose actions are inimical to the domestic security of the United States; and, be it further

RESOLVED, That we request the Senate and House of Representatives of the United States to assign Members and staff and provide funds and resources in both the Senate and the House specifically to investigate the activities of subversive groups, organizations and individuals which are a threat to the security of the United States: the activity which was performed by the former Internal Security Subcommittee of the Senate Judiciary Committee and by the House Internal Security Committee.

Resolution No. 498 (New Jersey) — "Oppose Any Plan to Stop the Decoration of Individual Graves in Any National Cemetery"

WHEREAS, The decorating of individual graves in National Cemeteries was initiated over 110 years ago by General Logan of the G.A.R. and has become a distinct part of our heritage; and

WHEREAS, We have been told of a movement to discontinue the decorating of individual graves in National Cemeteries with flags; and

WHEREAS, A plan is being proposed to institute an Avenue of Flags in National Cemeteries to replace the individual grave flags; and

WHEREAS, The American Legion continually supports and proposes programs to strengthen our heritage in its many Americanism Programs; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion does hereby vehemently object to any plan to stop the decoration of individual graves with flags in any National Cemetery.

Resolution No. 520 (Convention Committee on Americanism) — "Support the Provisions of The Amateur Sports Act of 1978"

WHEREAS, The American Legion has promoted amateur athletic activity in the United States through its largest youth program, American Legion Baseball; and

WHEREAS, H.R. 12626 is pending in the Congress of the United States and its principal purpose is to promote and coordinate amateur athletic activity by providing a capable governing body through the enactment of the Amateur Sports Act of 1978; and

WHEREAS, Many American amateur athletes have been denied the opportunity to participate in athletic events because of the inability of amateur athletic organizations to resolve their differences and, in many instances, have failed to provide facilities for training or transportation costs for deserving American athletes desiring to participate in Olympic, Pan-American, or other international sports activities; and

WHEREAS, H.R. 12626 is a vehicle supported on a bipartisan basis by at least 33 Members of Congress to provide amateur athletes with the means to compete and qualify under a responsible, highly qualified governing authority capable of developing the potential of American Amateur athletes; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support H.R. 12626 for the express purpose of guaranteeing every American amateur athlete the opportunity to pursue and develop his or her full potential in local, national and international amateur competition under the aegis of a fully competent governing body empowered to promote impartially amateur athletic competition in the United States.

Amended and Approved

Resolution No. 13 (North Dakota) — "Prohibit the Production and Dissemination of Blasphemous Movies"

WHEREAS, It has been reported in the media that a group of leaders in major churches in Southern California have formed an organization known as the Interfaith Committee Against Blasphemy, located in Glendale, California; and

WHEREAS, The purpose of such organization is to educate the public against the insidious attack being made against the principles of Christian faith by the production of blasphemous movies; and

WHEREAS, The production and showing of blasphemous movies as typified by such movies as "The Passover Plot" and "Many Faces of Christ" are abhorrent and repugnant to all members of The American Legion, an organization based on the tenets of God and Country; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion go on record deploring the production and dissemination of blasphemous movies such as "The Passover Plot" and "Many Faces of Christ;" and, be it further

RESOLVED, That the Interfaith Committee Against Blasphemy be commended for their stand against blasphemous movies.

Resolution No. 52 (Arizona) — "National Patriotism Week, February 20-26" (**Resolution No. 7, N.E.C. October 1977**)

WHEREAS, Methods have been and are being used to obstruct the study of our Country's heritage and instill love of Country; and

WHEREAS, Efforts have been made to stifle the recitation of the Pledge of Allegiance in our public schools; and

WHEREAS, Efforts to establish a National Patriotism Week to be observed the 3rd week of February each year were not acted upon by the 94th Congress; and

WHEREAS, The Establishment of such an observance would oblige the public school systems of the fifty (50) states to comply with the study of patriotism at an impressionable age; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge our elected representatives in Congress to move for prompt approval of legislation to effect this purpose.

Resolution No. 63 (Massachusetts) — "American Nazi Party" (Resolution No. 36 N.E.C. **May 1978)**

WHEREAS, Until recently not much had been heard from the neo-Nazis since spotty episodes occurred in the '60s; and

WHEREAS, There is concrete evidence that there is a resurgence of the Nazi movement both in the United States and abroad; and

WHEREAS, The American Nazis are becoming bolder in their efforts to disrupt communities across the land with their marches; and

WHEREAS, They are attempting to stage these marches in predominantly Jewish communities, many of whom are refugees from Hitler's holocaust; and

WHEREAS, They are attired in the Nazi uniform with swastikas, which is a personal affront to every American, especially those who fought in World War II to stamp out Nazism forever; and

WHEREAS, It has been reported that the neo-Nazis in West Germany have stepped up their contacts with the American Nazi operation and it is claimed that the U.S. group has been supporting the German group financially, in addition to supplying leaflets, emblems and propaganda; and

WHEREAS, There are now quite a few groups of American neo-Nazis all operating under the "umbrella" name of the American Nazi Party; and

WHEREAS, Correspondence received at National Headquarters of The American Legion indicates that Americans are concerned about the increasing aggressiveness and activities of the American neo-Nazis; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion does abhor these recurring incidents of Nazi provocation; and, be it further

RESOLVED, That The American Legion does hereby publicly and unequivocally condemn the American Nazis and all that they stand for.

Resolution No. 194 (New York) — "School Prayer" (**Resolution No. 170,** N.C. Denver August 1977)

WHEREAS, The American Legion has long been an advocate of seeking the aid of God in affairs of this Nation and for those individuals who serve the people and the Nation; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we reaffirm our support for an amendment to the Constitution of the United States that would permit voluntary prayer in public buildings.

Resolution No. 231 (California) — "The American Legion Deplores the Lack of Loyalty-Security Requirements for Employment by the Federal Government" (**Resolution No. 231** and **Resolution No. 21,** N.E.C. May 1949)

WHEREAS, Mere membership in radical, revolutionary terrorist groups no longer disqualifies a person from getting a job with the Federal Government; and

WHEREAS, It now takes an indictment or conviction for an overt criminal act to disqualify an applicant; and

WHEREAS, Loyalty-security requirements for federal employment have been stripped away to virtually nothing; and

WHEREAS, The potential dangers to internal security are frightening because of lack of restrictions; and

WHEREAS, We view with alarm the possibility that many persons with subversive leanings or affiliations may be permitted to remain within Civil Service employment; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion deplores this lack of loyalty-security requirements for employment by the Federal Government; and, be it further

RESOLVED, That steps be taken on all levels of The American Legion to reverse this outrageous practice and that our efforts be made known to the Congress of the United States in the most forceful manner possible; and, be it finally

RESOLVED, That The American Legion exert its influence upon the Federal, state, county and city government agencies concerned to the end that all government employees, regardless of position and prestige, against whom communist or other subversive activities can be proven, be separated from the Federal, State, County and City agencies, provided such separation is predicated on constitutional guarantee of due process, such as written notice of charges, right of a hearing and right to counsel.

Resolution No. 394 (Texas) — "Seek Legislation to Amend Article 2 Section 2, Clause 1, of the U.S. Constitution as It Pertains to Giving the President Power to Grant Reprieves and Pardons for Offenses Against the United States (**Resolution No. 45,** N.E.C. May 1977)

WHEREAS, Legislation was introduced in the House of the U.S. Congress in the first session of the 95th Congress; and

WHEREAS, Such legislation, if adopted, would provide for the amendment of the U.S. Constitution as provided by law, to add the following: The President shall not grant a pardon to a person for a criminal offense against the United States for which such person has not been convicted, unless the granting of such pardon has been approved by a majority vote of the Members of each House of Congress; and

WHEREAS, Included in the above phrase, "for a criminal offense," it is understood there are included violations of Immigration laws and Selective Service laws of the United States; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support the amendment of the U.S. Constitution by the adoption of an article which would provide as follows: The President shall not grant a pardon to a person for a criminal offense against the United States for which such person has not been convicted, unless the granting of such pardon has been approved by a majority vote of the Members of each House of Congress.

Resolution No. 427 (Colorado) — "Oppose Any and All Attempts to Change Our National Anthem from That Which Is Currently Designated and Accepted — 'The Star Spangled Banner' " (**Resolution No. 94,** N.C. Miami Beach, 1974)

WHEREAS, There is now afoot a movement to change our beloved National Anthem; and

WHEREAS, Said Anthem is indelibly implanted upon our heritage; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August

22-24, 1978, That The American Legion go on record as being unalterably opposed to any change in our National Anthem.

Resolution No. 444 (District of Columbia) — "Reaffirmation of American Legion Support of the CIA and FBI"

WHEREAS, A United States, not protected by confident, vigilant, professional internal and external intelligence services, would be a blind victim of future events and forces both at home and abroad; and

WHEREAS, Confidentiality and mutual trust among intelligence agents and sources is the basis for successful intelligence operations; and

WHEREAS, The Federal Bureau of Investigation and the Central Intelligence Agency, both charged with the protection and preservation of the security of the United States since their inception, have served with distinction and honor in carrying out this vital mission; and

WHEREAS, In the course of discharging of their obligations to their superiors, the Federal Bureau of Investigation and the Central Intelligence Agency have been subjected to harsh and severe criticism resulting in undermining employee morale and impeding progress of the agencies in carrying out their traditional and lawful goals; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we reaffirm our complete confidence in the capability, integrity and indispensable need for continued excellent service of the FBI and the CIA; and, be it further

RESOLVED, That copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the Director of the FBI and the Director of the CIA with a view to giving all possible aid and encouragement to the personnel of these agencies in carrying out their vital mission of protecting the security of the United States, particularly at this state of world history which reflects the spread of Communism and subversion of freedom.

The following resolutions, and there are eight of them, were approved as consolidated:

Consolidated and Approved

Resolution Nos. 51 (Arizona), **64** (Massachusetts), **128** (Indiana), **198** (New York), **249** (Illinois), **274** (Virginia), **370** (Maryland), and **391** (Texas) — "Support Reestablishment of the House Internal Security Committee," were consolidated using the text of **Resolution No. 51,** as follows:

WHEREAS, Communist and terrorist groups now pose a greater threat to the internal security of the United States than at any time in the history of our Country; and

WHEREAS, The Congress of the United States has seen fit to terminate both the House and the Senate Committees on Internal Security; and

WHEREAS, By this action the Congress has deprived the American voters and taxpayers of the right to know who the individuals are who make up the said Communist and terrorist groups, where such groups are located and what activities they may have carried out or may be planning for the future; and

WHEREAS, This lack of information concerning Communist and terrorist groups can and will affect the decisions which Americans may be called upon to make in regard to the future of our national security and to the retention of our constitutional form of government and free enterprise system; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That both the House of Representatives and the Senate of the United States Congress are requested to take whatever action is necessary to reestablish their respective Committees on Internal Security, to provide necessary funds for staffing and authorization to conduct all necessary hearings.

Resolution Nos. 96 (Maine) and **197** (New York) — "Memorial Day, May 30" using the text of **Resolution No. 96,** as follows:

WHEREAS, Memorial Day was established following the Civil War to be observed on May 30th each year; and,

WHEREAS, The time-honored tradition of observing Memorial Day on May 30th has been eroded to make a long holiday weekend thus causing Memorial Day to now be observed on the last Monday of May; and

WHEREAS, The change in holiday observances to the last Monday of some months has caused a diminished observance and defies time-honored tradition; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion call upon the Congress of the United States to restore Memorial Day to the proper day of observance on May 30th of each year.

Consolidated, Amended and Approved

Resolution Nos. 9 (Philippines) and **230** (California) — "Granting United States citizenship to those remaining members of the Philippine Scouts, Philippine Division, A.U.S., who have served honorably in the Armed Forces of the United States between December 1941 through 1945" were consolidated using No. 9 and the text of **Resolution No. 139,** adopted by the N.C. Honolulu, 1973, as amended:

WHEREAS, USAFFE guerrillas and others had been organized by loyal Filipinos, an underground movement for the purpose of sabotaging and harassing the Japanese Imperial Forces stationed in the Philippines; and

WHEREAS, These guerrilla organizations had provided aid and assistance to the advance party of the American Liberation Forces in planning a successful invasion and surprise attacks on the enemy; and

WHEREAS, These guerrilla organizations had joined the American forces in mopping up operations by pursuing the beleaguered enemy; and

WHEREAS, A roster of these guerrilla elements had been compiled and kept at the Headquarters of the American Liberation Forces as the liberation of the islands had been completed; and

WHEREAS, Legislation has been introduced authorizing lawful admission for these surviving Filipino veterans and their spouses and minor children to immigrate as Special Immigrants to the United States and failed to pass the 92nd Congress of the United States because no action was taken by the Committee on the Judiciary; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That Filipino veterans who served in the Armed Forces of the United States during any period in which the Nation is at war with any enemy nation, together with their spouses and minor children, be allowed to immigrate into the United States as Special Immigrants in recognition of their loyalty and support to the United States in times of greatest test and need.

Resolution Nos. 49 (Arizona), **102** (Idaho), **247** (Illinois), **248** (Illinois) and **250** (Illinois) — "Illegal

Aliens," were consolidated, using **No. 49** and the text of **Resolution No. 6,** N. C. Denver, 1977, and also the text of **Resolution No. 14,** May 1978, as amended and listed separately:

WHEREAS, The number of illegal aliens in the United States has been increasing rapidly since 1965 and the Commissioner of the U.S. Immigration and Naturalization Service estimates there are currently 5,000,000 to 7,000,000 such individuals in the United States; and

WHEREAS, The increasing number of illegal aliens in the United States is creating problems of serious economic impact which include increased welfare costs, adverse effects on the American labor market and the expense of deportation of apprehended illegal aliens; and

WHEREAS, Present Federal law makes no prohibition on the employment of illegal aliens allowing some employers who have little regard for employment of American citizens to hire illegal aliens at depressed wage levels and under poor working conditions; and

WHEREAS, Many veterans, particularly Vietnam veterans, are unable to locate employment because of the employment of illegal aliens; and

WHEREAS, There is a shortage of personnel in the Immigration Service to handle this problem; and

WHEREAS, Legislation has been approved by the House of Representatives prohibiting the employment of illegal aliens with appropriate penalties for employers who knowingly engage in such practice; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the adopting of legislation which will prohibit the employment of illegal aliens by providing penalties for employers who knowingly hire such illegal aliens; and, be it further

RESOLVED, That the U.S. Bureau of Immigration and Naturalization be provided sufficient funds to acquire additional personnel to better control the problem of illegal aliens; (and this is particularly across the Mexican border); and, be it further

RESOLVED, That aliens illegally in the U.S. shall not be entitled to Social Security, unemployment, public welfare or any other family assistance program; and, be it finally

RESOLVED, That the Congress of the United States be urged not to change procedures of granting citizenship to all aliens.

WHEREAS, The problem of illegal aliens has many and varied facets; and

WHEREAS, The American Legion desires to have a position which is all encompassing; and

WHEREAS, Our current mandate does not cover an improved identification system, whereby there would be a counterfeit-proof workers' identify card to verify one's legal residence; and

WHEREAS, Without such a system, any employer sanction would be meaningless; and

WHEREAS, There now seems to be relatively no exchange of information or related interaction among the several Executive Departments responsible for dealing with various aspects of immigration; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That steps be initiated to improve the present identification system; and, be it further

RESOLVED, That The American Legion calls for legislation to guarantee a free flow of information and technical assistance between those agencies tasked with the various aspects of the illegal alien issue.

Resolution Nos. 50 (Arizona), **199** (New York) and **362** (Washington) — "The Federal Bureau of Investigation," were consolidated, using **No. 50** and the text of **Resolution No. 33** adopted by the N.E.C. May 1978, as amended:

WHEREAS, The American Legion has repeatedly and consistently supported the Federal Bureau of Investigation in its lawful mission of combatting crime and subversion; and

WHEREAS, The Federal Bureau of Investigation has rendered excellent public service in protecting American lives and property; and

WHEREAS, The American Legion from the instant of its birth has been committed to government under the United States Constitution and realizes that Justice Arthur Goldberg stated the truth when he wrote that "The Constitution protects against invasion of individual rights" and "it is not a suicide pact;" and

WHEREAS, The effect of certain reporting by news media has adversely affected the morale of the Federal Bureau of Investigation and law enforcement generally; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion strengthen its support of the FBI in the lawful pursuit of its mission to protect the lives and property of all Americans; and, be it further

RESOLVED, That a copy of this resolution be sent to the President of the United States, the Attorney General of the United States, the President of the United States Senate and the Speaker of the House of Representatives, advising them of our concern.

Resolution Nos. 195 (New York) and **No. 393** (Texas) — "Support the retention of the slogan 'In God We Trust' on United States currency," were consolidated, using **No. 195** and the text of **Resolution No. 14,** adopted by the N.E.C. October 1965, as amended:

WHEREAS, Concerted efforts are being taken by groups and individuals to remove reference to the words, "under God," in the Pledge of Allegiance and all references to God in many matters relating to public life; and

WHEREAS, Further efforts are being made to remove the reference to God from our coins and currency; and

WHEREAS, These same groups are attempting to also remove references to God from the sacred oaths of public office; and

WHEREAS, We as members of The American Legion in our Constitution declare our stand "For God and Country;" now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we repudiate and denounce any effort or attempt to remove the reference to God from public life.

Received and Recorded

Resolution No. 107 (Kentucky) — "Flag Respect."

Resolution No. 229 (California) — "Oppose Those Who Would Emasculate or Weaken the McCarran-Walter Immigration Act of 1952"

Referred Resolutions

Resolution No. 1 (Panama, Canal Zone) — "Change in Wording on Passports"

Resolution No. 4 (Florida) — "National High School Oratorical Contest Rules Amendment"

Resolution No. 8 (South Dakota) — "Flag Code Amendment"

Resolution No. 162 (Kansas) — "Certification of Players in The American Legion Baseball Program"

Resolution No. 196 (New York) — "Religious Education Registration Month"

Resolution No. 246 (Illinois) — "National High School Oratorical Rules Amendment"

Resolution No. 291 (Virginia) — "Feasibility Study of a Nationwide Communist Awareness Program"

Resolution No. 392 (Texas) — "Religion in the Schools"

Rejected Resolutions

Resolution No. 2 (Panama, Canal Zone) — "Censorship of Religious Programs on Radio and Television" (This is a moot question.)

Resolution No. 65 (Massachusetts) — "American Legion Baseball Team Sponsorship" (The jurisdiction is with the respective Departments.)

Resolution No. 84 (Montana) — "Communist Spies" (Lack of documentation and the points involved are: (1) the number of spies in the country; (2) that our counter-intelligence is in shambles; and (3) deny security clearance to the U.S. firms that bring them in.)

Resolution No. 101 (Idaho) — "American Legion Scout of the Year Award" (It is in conflict with an existing successful program of The American Legion.)

Resolution No. 126 (Indiana) — "Judicial Reform Legislation" (Lack of documentation.)

Resolution No. 127 (Indiana) — "American Legion Scout of the Year Award" (American Legion programs are established to encourage Post sponsorship.)

Resolution No. 136 (Minnesota) — "Introduce a Course of Instruction in Cardiopulmonary Resuscitation (CPR) Throughout Our Country in Every Secondary, Public, Parochial and Private School, to Save the Lives of Our Citizens" (Not germane to the aims and purposes of The American Legion.)

Resolution No. 212 (Ohio) — "Veterans Day, November 11" (The American Legion will not inject its position into internal affairs of organized labor or business.)

Resolution No. 332 (Alaska) — "Censorship of Religious Programs on Radio and Television" (This is a moot question.)

Resolution No. 428 (Colorado) — "That The American Legion Extend Its American Legion Boys State Program to Endorse an Annual American Legion Boys State Governors Convention" (The National Organization will not interfere in the internal affairs of each Department handling its own Boys State Program.)

The report was adopted.

PRESENTATION OF REPRESENTATIVES OF THE AMERICAN LEGION YOUTH PROGRAMS

NATIONAL COMMANDER SMITH: It is now my pleasure to present to you the five young Americans who have distinguished themselves by their participation in American Legion Youth Programs or in programs co-sponsored and supported by the Legion.

The programs that these fine young people represent, whether Citizenship, Sportsmanship or Education, are foremost in the hearts of Legionnaires because they involve the youth of America.

These five outstanding young people are top-flight participants in both competitive and non-competitive programs which we have.

There is no significance in the order in which these young people will be introduced because each is of equal importance to us and to America, and each of the programs represented by them shares the spotlight of American Legion attention.

As you know, The American Legion sponsors nearly 4,000 Boy Scouts units across the Country. With us this morning representing the Boy Scouts of America is The American Legion Boy Scout of the Year from Manhasset, New York.

An 18-year-old high school graduate, he will enter Bockness University this fall to major in pre-medicine. The Scout troop in which he is active is sponsored by Manhasset Post 304, Manhasset.

Ladies and gentlemen, The American Legion Boy Scout of the Year, Michael F. Suarez. Mike.

American Legion Baseball is represented by the 1977 American Legion Baseball Player of the Year. He was shortstop with South Bend Post No. 50 of South Bend, Indiana, which distinguished itself in the 1977 World Series of American Legion Baseball by capturing the championship.

Now a student at Texas Wesleyan University, he captured two of the five individual player awards at the 1977 World Series in Manchester, New Hampshire. It was my privilege to present him to the Baseball Hall of Fame at Cooperstown, New York, on August 7.

Ladies and gentlemen, The American Legion Baseball Player of the Year, William Schell of South Bend, Indiana.

This 17-year-old high school senior is considering a career in mass communications. She is the 1978 American Legion High School Oratorical Champion. She was sponsored in the contest by The American Legion Department of Oklahoma and for her efforts won an $8,000 scholarship to the college of her choice.

The 1978 American Legion National High School Oratorical Champion from Lawton, Oklahoma, Debra Annette Morris.

Also with us today is the President of Girls Nation, sponsored by the American Legion Auxiliary. Elected by her peers to represent this fine program was Barbara Neligan of Chattanooga, Tennessee. Barbara will be a senior at Notre Dame High School this fall, and is active in many organizations.

The only significance in the order of the introduction of these young people is the next one to be introduced. He was chosen to respond for all of these fine young people.

With us today is the 1978 President of the Boys Nation Program. He is a 17-year-old high school senior who plans to attend Massachusetts Institute of Technology, following graduation to study chemical engineering.

To help him achieve that goal, he has been awarded a $1,000 scholarship from Educational Communications, Incorporated, publishers of Who's Who Among American High School Students.

He was sponsored by the Leyden-Chiles-Wickersham Post No. 1, Denver. From Denver, Colorado, may I present the 1978 Boys Nation President, Michael A. Lopez.

MICHAEL A. LOPEZ

1978 Boys Nation President

Let me begin by saying this is an honor to address the 1978 Convention of The American Legion.

The first characteristic of life everywhere has changed, growth adaptation to modifying circumstances and events. The point which marks the end of change in a body or mind, in a society or party, is the end of its life.

These words written by Donald Nelson provide a fitting starting point to examine perhaps the most important phenomena in this age, change, that irreversible and irresistible flow of time present in every growing and living thing. And as with every generation we must ask the same question: That is, is the world, our Nation, ourselves changing as they should?

At first glance, when we see a world of confusion and chaos, our economy staggers from one illness and stumbles into recovery. All this only to stagger into another illness and the process repeats itself over and over again.

This and future generations face a problem of almost crisis proportions. We face an energy-short future.

Foreign policy is erratic, and subject more to political favors than to political beliefs. Our overall domestic policy is confused and sometimes lost because of a weak leadership in a bureaucratic jungle.

But it must be remembered that the United States has faced such times before — during the Great Depression of the 1930's and during the political scandals of both the nineteenth and twentieth centuries. Each time this Nation survived because of its unity in a common cause of recovery and because of strong leadership. This Nation will survive again. But I look to something greater than a mere recovery.

During the time of this Country's greatest crisis, the Civil War, a challenge was given to all future generations by a man who answered the call of leadership. His name was Abraham Lincoln and this is what he said, "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise to the occasion. As our case is new, so we must think anew and act anew." His challenge or call is the same which you and I face. To think anew and act anew is no easy task but to do so successfully is tantamount to a successful future.

Certainly one can give up on this world allowing his life to be blown around as a speck of dust. But such an attitude receives equal reward. All will be lost if no effort is expended. The present and immediate future looks dismal and yet has no other time of change offered so much. There is a call for greater strength, greater drive, and greater determination than ever before from Americans. Perhaps now we can understand that the true message to each rising generation is a responsibility to change, and this message is only answered through strong leadership and unity in a common cause of recovery.

We have a responsibility to a changing world. No matter how much the technology and policy of the future may differ from the present, the verities of truth, justice, and self-worth will always be upheld in a responsible society. The turbulent transition of time from the 1950's to the 1960's and the fragile recuperation of the 1970's have shown us that all Americans still hold the verities high as the signposts of the 1980's and 90's.

There was a time when the "generation gap" was an uncrossable barrier to communication. A so-called generation gap occurs whenever it is convenient for the younger generation to point out the mistakes in the traditions of the older generation. Unfortunately although commonly, this younger generation has succeeded in making the same mistakes. Still dishonest politicians are elected and reelected. Still there is the apathy. Still there is the aimless wandering of a new and struggling generation lost without communication as each generation before it has done. There is continual change, but growth only comes in spurts.

The generation gap is inevitable, and timeless. No generation is perfect. To be young is to be optimistic. To be optimistic is to be impatient. To be impatient to capture dreams is to be rebellious. But every generation needs this optimism. Every generation holds its great Americans, holds its great leaders.

Always there is the responsibility to a changing world to be answered by each succeeding generation. This generation is no different. The issues only seem more critical. They have changed little in the past forty years. Welfare needs reevaluation in a more conservative slant. No longer can Americans afford to support the huge welfare rolls. The economy must recover before any balance of domestic policy can be assumed. The wage-price spiral must be dealt with.

But two issues that I wish at this time to have you note are, one, the lack of leadership we have experienced as a Country, and two, the problems that youth are experiencing concerning leadership. President Carter has skipped from one issue in domestic policy to another. At first, energy was the equivalent of war. Now it is a rarely mentioned failure by the White House. Unemployment remains an unfulfilled political promise. Inflation was the next important issue to be raised by the Presidency. Unfortunately Mr. Carter has found it either unmentionable or unsolvable. At this time, President Carter is attempting to come to grips with his own work force, the Civil Service. It will be interesting to see the outcome of his actions. This Country needs a strong leader.

At a time when youth unemployment has reached almost 15 percent. At a time when rates of crimes committed by youth have risen sharpest. At a time when television seeks to exploit the desires of youth. They are ignored. Politicians are elected by a stereotyped voter so marketing researchers say. This stereotype is of a man, 45 years old, white, and predominantly conservative. Appeal to him and politicians will win the market. I sense a coming revolution against this stereotype by a violent and mindless future generation. An attempt was made in the 60's. What can be done to alter this premonition? We must examine the cause of this problem. We find the next generation lacks a uniting cause to recovery and responsibility, it lacks leadership.

In years past the White House had an office of youth affairs. Now it has no such office. It was disbanded by President Carter because of budgetary problems. Again it is interesting to note which offices have priority in the White House and which don't.

The responsibility to a changing world never changes. That is why it is a signpost. That is why there will always be a direction for Americans.

This responsibility is first to ourselves. We do determine the direction of the Nation. When we are lost and confused so is our Country. When we practice the responsibility to freedom that the documents that forged America placed upon us we hold true to the verities I spoke of earlier. No responsibility is without its reward.

We have a responsibility to our Nation. We have the responsibility to serve it. Whether in active military service, or only as responsible and voting Americans we do have obligations. Freedom is easily taken for granted and yet the use of freedom in a responsible way is one of only a few ways in which man may be differentiated from animals. Again, there is a reward.

We have a responsibility to the principles of America. America is not a land mass. It is not locatable on any map unless the map is of the human soul. It is the millions of lives that were lost in wars to uphold it. It is the respect and truth and justice of scores of generations. It is the belief and practice of freedom in a place that grants such beliefs and practices. It is the striving for equality that each human being pursues. It is the greatest responsibility any citizen can carry. But it has the greatest reward.

That reward I have been speaking of is to be an American. To be proud of what I am. It is the ability to create something greater for the next generation. It is to be responsible.

In conclusion, all can be said in a few simple words, the responsibility to change is a responsibility to growth, not to a growth that suffocates its roots but rather a spiritual growth and enrichment. To grow old is to come closer to wisdom for any country. And when we have become truly wise let us strive not to see our death but our life.

NATIONAL COMMANDER SMITH: Thank you very much, Mike, for making this presentation on behalf of all of the youth of these programs in our Americanism area of responsibility of which we have an outstanding record in the past and for which we believe is so necessary for the future.

We appreciate each of them coming, and we look forward to hearing from you and your accomplishments through the years as you continue to work and progress and lead us in the future for a better America. Thank you once again.

PRESENTATION OF WILLIAM RANDOLPH HEARST AMERICANISM TROPHY

By: Otto Wick, San Antonio Light
To: Department of Maine

NATIONAL COMMANDER SMITH: Competition for the Hearst Americanism Trophy is now in its fortieth year. It is awarded each year by the Hearst Newspaper Enterprises to The American Legion Department having sponsored the best Americanism Program.

The winning Department this year is the Department of Maine.

To present the trophy to the Department of Maine, representing the Hearst Newspapers is Otto Wick, Assistant to the Publisher of the San Antonio Light.

Our presenter is currently President of the Texas Newspaper Advertising Manager's Association, Director of the Midwest Advertising Executives Association. A veteran of service between World War II and Korea, he is an avid hunter and fisherman, enjoys working with young people on the art of rifle safety, and is a strong supporter of the preservation of parks and wildlife.

Active in his church, he also serves his community as a member of the Board of Baptist Memorial Hospital, is a past President of his local Arthritis Foundation Chapter and a member of the Board of Directors of the American Cancer Society.

Ladies and gentlemen, Mr. Otto Wick.

MR. WICK: My pleasure in presenting the William Randolph Hearst Americanism Trophy this morning arises not only in the fact that the recipient has been an outstanding promoter of the American system, but also in that I am honored to represent in this presentation a group of American newspapers so steeped in the American dream.

It is not at all surprising to those of us who have worked with The Hearst Newspapers that the late William Randolph Hearst would have established this award four decades ago. In outlining what he called merely "Newspaper Principles," he wrote:

"The press has a vital role to play in maintaining the vigor of democracy and continuing the existence of our true Republic."

He schooled the Hearst editors in that role. *"The Hearst papers,"* he wrote, *"are American papers published for the American people. They support the American system of government, the American Constitution, American institution and American ideals. They labor to maintain the American standard of living. They are opposed to the various forms of tyranny which our American forefathers came to this Country to avoid."*

Through the years, The Hearst Newspapers have continued to be guided by these ideals.

As proof not only of our sincere desire to tell the American story, but also to represent America, for example, The Hearst Newspaper for which I work carries on its masthead daily both the American eagle and the Flag of our Nation.

To the Department of Maine, The Hearst Newspapers extend not only our congratulations for a job well performed, but also a pledge to continue to work with the recipient of this trophy and The American Legion in convincing the world that the American dream not only is correct, but that it works.

Past Department Commander John Tracy, from the Department of Maine, will accept the trophy.

. . . Department Commander H. Fred Fischer, Maine, joined Past Department Commander John Tracy in accepting the William Randolph Hearst Americanism Trophy.

PRESENTATION OF DISTINGUISHED SERVICE MEDAL

By: National Commander Smith
To: Bowie K. Kuhn, Commissioner of Baseball

In 1921 The American Legion established its Distinguished Service Medal to be awarded to outstanding individuals who have contributed to the betterment of their nations and of all humankind. Our recipient this year joins a veritable who's who of distinguished world figures — generals from the allied nations of World War I, Presidents, journalists, clergymen, judges, Cabinet members, Congressmen and physicians.

Our recipient this year is noted for his deep and abiding devotion to our great American pastime.

The American Legion salutes the professional competency, courage and determination of the head of organized baseball in making difficult decisions which guaranteed to the American public a wholesome competitive sport completely free of domination by any individual or group. Baseball fans throughout the Country have responded in increasing numbers at the gate to support major league teams in spirited flag races, providing the tops in sports entertainment.

In addition, his support of American Legion Baseball and its contributions to the sport span his career as a representative of the National League and his term as Commissioner. His recognition of Legion ball as a program to instill sportsmanship and leadership in America's youth is deeply appreciated by this former Legion Baseball player and everyone associated with the program. It is with a great deal of pleasure that I now present The American Legion's Distinguished Service Medal to Bowie K. Kuhn, Commissioner of Baseball. Commissioner.

MR. KUHN: Thank you, Mr. National Commander. Father Power, Legionnaires and your families gathered here at this great convention, honored guests, I must tell you that I was amazed as I told your Commander, I was flattered and humbled when he suggested to me that I might receive the Distinguished Service Medal of this tremendous organization. I am humbled particularly when I look at the list of prior recipients of this medal, not only Presidents of the United States, but men like General John J. Pershing, Douglas MacArthur, Kenesaw Mountain Landis, perhaps the greatest Commissioner sports has ever produced in this Country, and in addition, I imagine, a man who would be fairly described as the most famous athlete America has produced, George Herman Ruth, who we call "Babe." I accept this award in the name of the long time cooperation between the American Legion and Professional Baseball. And further, I accept it on behalf of the Bluecap Legionnaires everywhere. I am proud, I may tell you, to be one of you and to be a member of the William Clinton Story Post Number 342 in Freeport, New York. I am very proud also to have up here with me on the dais a very distinguished member of your organization, past officer Howard Larsen and a fellow member of the William Clinton Story Post. I should tell you this further that before I felt I should say 'yes' to the Commander, I checked the phases of the moon. Now in my profession, we all know that when the moon is full, the Charlie Finleys of this world come out. Baseball Commissioners are best at that time home protecting their families. Fortunately, the phases were cooperative and I was able to be with you. That reminds me of my friend Howard Cosell who has remarked quite often of late that the Baseball Commissioner is "beleaguered." So, I decided after hearing this quite a number of times that I would go to Mr. Webster to find out exactly what "beleaguered" meant. Beleaguered, according to the dictionary, means to surround, as in a bastion so as to prevent escape. So I went to Howard and said, "Howard, old boy, you're going to have to change my description. I will tell you what Charlie Finley is not trying to do — he is not trying to prevent my escape. I suspect he is bent rather on assassination." So, I suggested that if Howard wanted to be a purist in the use of the language, he would hereafter describe me as "beset," and I think Howard has accepted my suggestion.

The American Legion and Baseball: It all started in 1925 in Millbank, North Dakota, when The American Legion embarked upon its baseball program. Since that time, three and one-half million young men of this Country have participated in that program. Today, there are over 75,000 participating in the program, and the Legion has joined in the great growth of amateur baseball in the United States which since 1970 has seen a two-thirds increase in player participation in amateur baseball programs. I think it altogether appropriate at this time to refer to the achievements of Dan O'Connor, the Chairman of your Americanism Commission whose farsightedness has lent so much to the growth of this program. He is truly a great American and a great member of The American Legion and we in Professional Baseball salute him. Nor could this program have succeeded as it has all of these years, over more than fifty now, without the dedicated and effective everyday work of George Rulon who heads it up and is a great friend of all of us in Professional Baseball. Just to give you some measure of what this program has meant to us, and now perhaps I speak selfishly — in 1977, just to take that as a measuring base, 900 players appeared in Major League Baseball games. 501 of those 900 has participated in American Legion Baseball programs, meaning that 55% of all Major League players last year had participated in American Legion programs. So, we have a great debt to you, and I come to the Legion here in New Orleans to say thank you for the contributions you have made to Professional Baseball.

I thought I'd have a little fun, so I composed my own all-star team made up of Legion graduates. I'm going to put this in two categories because there are so many, and you will note a great many Hall-of-Famers among them. I'm going to have those on one hand who have completed their time in the big leagues and on the other, a current team of players. So, let's go to the catcher. We have Yogi Berra, and today's star, Johnny Bench. At first base, Stan Musial and today's star, Steve Garvey. At second base, Bobby Richardson and today's star, Joe Morgan. At third base, and it seems impossible that he is not still there today, Brooks Robinson. But what I am able to say for today at third base, I am very particularly proud to say, because I think he represents the competitive desire better than anybody in our game and what The American Legion Program indeed stands for, Pete Rose. At shortstop, Lou Boudreau and today's Larry Bowa. In the outfield I'll give three from days of yore — Ted Williams, Frank Robinson and Ducky Medwick — and three from today — Carl Yastrzemski, Jim Rice and Reggie Jackson. And that, friends, is some kind of outfield. For a right-handed pitcher, how about Bobby Feller or today's Tommy Seaver. For a left-handed pitcher, how about the winningest left-handed pitcher of all time, Warren Spahn or today's Steve Carlton. While I'm at it, I'm going to have a manager for this old-time team that came out of the Legion, the late, great Gil Hodges and today's Major Ralph Houk of the Detroit Tigers. While I'm at it, how would you like a couple of broadcasters from out of the Legion program. How about Joe Garagiola and Tony Kubek. Pretty distinguished group of people that you have contributed to our game.

We have had a tremendous shared experience between the Legion and Professional Baseball. But all of our experience in many ways goes beyond the mere development of players. It would be selfish of us if that were otherwise. It goes beyond the sharing we have had in many other directions, like honoring your national champions at the World Series, like honoring young Bill Schell at Cooperstown where your Commander came this month, like the financial support for the program, like conducting clinics for Posts upon request. It goes beyond that because we believe in what The American Legion *Youth* Program stands for, and we support them for that reason as well. We believe that The American Legion has done enormously important work in the encouragement of youth in the

United States. The encouragement of youth in sports, yes, but beyond that the encouragement of youth in citizenship, not only through the baseball program, but as well through things like the national oratorical contest, the boys and girls state program, the boys and girls nation program. All of these have made a tremendous contribution on the part of the Legion to America's strength and growth. But beyond that, and this is the nub of it as far as I am concerned, we believe that sports help to develop the competitive spirit, help to develop in youth the quality of courage and we believe that this equals a stronger youth and a stronger America better able to achieve peace through strength. Let me come back to the word "courage" for a moment. Nothing is perhaps more needed in our lives beyond faith in God, than courage which probably springs from faith in God. We need it to face the tough problems of our times, all of us do. Our youth needs it, too. Nowhere is this better demonstrated than by a terrible statistic I heard on the television this morning on NBC's Today Show, where it was reported that the teenage suicide rate in the United States has reached an all-time high, a shocking fact. I say your baseball program does much to develop the quality of courage.

Let me refer to something that I think was very important that happened several months ago. A man named Alexander Solzhenitsyn spoke at Harvard, giving the commencement address. He spoke on the subject of courage and he said something that needs to be said and said again:

"A decline in courage may be the most striking feature which an outsider observes in the West in our days. The Western world has lost its civil courage, both as a whole and separately in each country, each government, each political party, and of course, in the United Nations. Such a decline in courage is particularly noticeable among the ruling groups and intellectual elite causing an impression of loss of courage by the entire society. Of course, there are many courageous individuals, but they have no determining influence on public life. Should one point out that from ancient times decline in courage has been considered the beginning of the end."

I firmly believe that this message is vital to us. I firmly believe that he is right when he says there is spiritual exhaustion in the West. I firmly agree with a terribly important question he has at the end as he observes our ostensibly joyful society and says "what is the joy all about?" I firmly believe that through sports in general and in particular through The American Legion Baseball Program and Youth Programs, we can keep the competitive spirit and we can develop courage and to that extent make a very significant contribution to strengthening our society at a time when strength, my friends, is desperately needed.

And now for a moment I would like to turn to the state of our national game. Yes, in some ways our game is troubled by financial problems which are a direct result of the free agency which appeared three years ago as part of our new collective bargaining agreement. Yes, it is troubled by occasional threats such as one we had today, a threat by umpires to strike our game in the midst of a contract which has three years yet to go. But laying these troubles aside, I believe the game has never been so strong or so popular. If you look around today, it is a warming thing to the heart of the Commissioner to see races in three of our divisions at least, and if I am to believe what I am told by the Yankees and the Brewers, there are races in all four. I am delighted to further report that baseball should reach an all-time new attendance record in 1978 and that is very good.

Let me conclude with this analysis of the situation of baseball written by one of the top flight sports writers in the Country. His name is Joe Falls and he writes for the Detroit Free Press and he says, and this is very interesting deja vu with regard to the game of baseball:

"Baseball was in big trouble in the 1960's. It was dull, it was drab, it was dreary. Everyone agreed it was too long. Everything was moving fast in the 1960's — people, cars, students, drugs, sports, even whole cities. Resentment gripped the land and anger spilled into the streets, but we were going too hard, too long not to slow down. Everyone started getting tired, we got the desire for a little peace, a little tranquillity, please. Baseball began a comeback and it has literally swept through the nation. Just consider the TV ratings and the crowds through the last few years. They have been the greatest in the history of the game. Now it is baseball that fits so nicely into our lives. You can watch a game and eat peanuts and talk to the guy in the next seat. Yes, once again, baseball is the national pastime. Imagine that."

So on behalf of our national game, on behalf of Professional Baseball, I would like to thank your National Commander and all the members of the Legion most humbly and gratefully for the award of this Distinguished Service Medal. God bless you.

NATIONAL COMMANDER SMITH: Thank you, Commissioner Kuhn, for being with us, and may I say that The American Legion and its Youth Program tries to be sure that we instill in the youth a belief in this Nation, and baseball is a good vehicle for this. They are instilled with a competitiveness that is life to the man, and we must continue this if we are to be a free Nation.

CERTIFICATE OF APPRECIATION

By: National Commander Smith
To: Father Walter D. Power,
National Chaplain

At this time, I would like to recognize with a Certificate of Appreciation a man who has been an inspiration to all of us this past year.

His leadership has been the guide of The American Legion to keep our motto of service to God and Country brightly shining and steadfast.

Our Chaplain serves his church as Parish Priest in Cambridge, Maryland, has served the students of Washington College in Chestertown, Maryland, as Chaplain of the Newman Club. He has served the mentally ill of Maryland through his membership in a variety of organizations, including the leadership posts of President of the Kent County Mental Health Association, Chairman of the Kent County Mental Hygiene Board and as a member of the Board of Directors of the Mental Health Association of Maryland.

A member of Post No. 91 in Cambridge, our Chaplain has served The American Legion as a member of the Post Executive Committee, Vice Commander, Chaplain and Service Officer, District Chaplain, Department Chaplain and as a member of the Department Executive Committee.

For 25,000 miles of my travels as your National Commander, it was a unique experience to have the National Chaplain, Father Walter D. Power, with me. I shall always remember his valuable counsel, his sleeping through my speeches, the four thousand word article on our Far East trip which he wrote of which probably no more than 20% contained a reasonable facsimile of truth.

Seriously, I will miss Father Power, but not his cigars.

I am pleased to present this Certificate of Appreciation to Father Walter D. Power of Maryland, who with faithful and devoted service has served The American Legion as National Chaplain in 1977-78.

REV. FR. POWER: I appreciate very much this Certificate. I want to thank you, and the Legion for the citation, which is no mere courtesy or an annual affair, and only a Chaplain knows how much pleasure he derives from service for his year.

Above and beyond the joy of the pleasure which he experiences in his association with the men and women of this Organization, the work that he does in helping you, in this, I find an even greater joy and appreciation in this past year, for I made no bones about the fact that I have served with one of the greatest National Commanders this Legion has ever had, Robert Charles Smith. And for that reason, among others, I enjoy and appreciate this Certificate, and thank you very very much.

NATIONAL COMMANDER SMITH: Delegates to the Convention, our next speaker is Chairman of the House Committee on Veterans Affairs. During his years on the Committee he has played a major role in shaping effective legislation to improve housing, education, pension, compensation, health and other benefits for the veterans of this Nation.

A member of Congress since 1962, he is a combat veteran of World War II and also served in the Korean War, retiring from the Naval Reserve as a Captain.

Prior to becoming Chairman of the Veterans Affairs Committee, our speaker served on the Hospitals, Compensation and Pensions and Housing Subcommittees. He is serving in his second term as Chairman of the full Committee.

A Legionnaire, he is also a 33 degree Mason, a member of the Shrine, Elks, Rotary, Veterans of Foreign Wars and the Amvets.

Ladies and gentlemen, it is my pleasure to introduce to you the Honorable Ray Roberts, U.S. Representative from Texas.

ADDRESS

HON. RAY ROBERTS
U.S. Representative, Texas

First, I want to express my deep appreciation to you, to The American Legion and to your distinguished staff for the tremendous support that we have had on Veterans Affairs from The American Legion.

Ladies and gentlemen, I am very happy to have this opportunity to appear before you at this Convention. I can report that the Committee on Veterans Affairs and the House of Representatives has acted vigorously and, in my opinion, wisely, on behalf of America's veterans this year.

I am going to outline some of the legislation we've passed. Before I do, though I want to emphasize that Congress and every citizen of this Nation has some difficult choices to make during the next few years. We must find a way out of the economic maze we are in. It does little good to pass increases in veterans pensions, compensation payments and medical benefits when the value of the dollar goes down with each passing month.

We must stabilize the economy and bring this crippling inflation under control. We must once again create the kind of conditions that permit us to plan for the future. Our homes and land must be made secure from taxes as well as tyrants.

There is no point in deluding ourselves into believing this can be done by continuing to spend and spend tax dollars. I believe everyone should have the right to work for themselves and their families. They should not be conscripted into working for this new class of welfare dependents that has been created by well-meaning programs that don't work. Often we do more harm than good with public welfare.

Dependency becomes a kind of inherited disease. I remember a saying that illustrates this problem: "If you give a man a fish, you feed him for a day. If you teach him how to fish, you feed him for life."

The solution can be found. I have faith in our Nation and its people and its institutions to solve this problem, but it will not be easy. We must find a way to put tools in the hands of those who now stand idly with hands in their pockets.

Now I am not saying we should back away from our national responsibilities. You are all aware of the present debate over whether America or the Soviet Union has the strongest Navy, Air Force, Army and missile arsenal. It troubles me greatly that there should even be a question. If we aren't number one, then we must set about getting there.

I support the appropriations for the B-2 bomber. I support the nuclear carrier. I don't know whether we need it or not, but I will tell you this, I would rather have it and not need it than need it and not have it.

America must be the world's mightiest military power.

Many of you have seen the inscription engraved above the stage at the Arlington Memorial Amphitheater. It reads "When we assumed the soldier, we did not lay aside the citizen." Its author was George Washington. Washington was saying that the fate of those who fought our wars is just as grave a national responsibility as the outcome of the battle. I believe that, and I think you do also.

Let me tell you now how the House Veterans Affairs Committee and the House of Representatives has met that responsibility this year.

In January the Administration presented Congress with a budget that abolished more than three thousand beds from the VA hospital system. Medical research and construction were cut back sharply, and I know that you realize, that we did have two Nobel Prize winners, one who is with us this morning.

I introduced an amendment that would permit the House of Representatives to authorize the funds needed to restore these cuts and save the VA medical and benefits systems as we now know them.

Congress has been trying its best to trim the budget this year and, as I said before, I'm all for that — but not at the expense of America's veterans.

I am proud to say the House of Representatives voted overwhelmingly, 362 to 30 to restore the Roberts Amendment and funds for the VA were restored.

Your fine Organization under Commander Smith can take a great deal of credit for that. As individual members, your letters and telephone calls to U.S. Congressmen turned the tide. I don't need to tell you that you have excellent leadership, that you have a tremendous Washington Headquarters staff, and their efforts have been untiring before our Committee.

I have asked my friend, Congressman Eddie Boland, Chairman of the Subcommittee on HUD-Independent Agencies of the Appropriations Committee, to work in the House-Senate conference on the appropriations bill to maintain the levels for VA medical care, research and construction contained in the House bill. He will help us, and if the House levels are maintained in conference, not one bed will have to be cut and the funds for VA medical care and research, although they could be better, will be adequate.

The American Legion has been an advocate of pension reform for many years. Your organization has been in the forefront in mandating pension reform at your national conventions. This year, with the help of the leadership of your organization, Commander Smith, Mylio Kraja, Ed Lord, Bob Lyngh and others, the Congress is seriously considering a pension reform measure. It also passed the House. It is over in the Senate, and we will have it out next month.

The House bill indexes pension rate increases to the Consumer Price Index on the same basis as social security. It provides automatic pension increases to keep pace with the rising cost of living and ensures that VA pensions will not be reduced solely because of cost-of-living increases in social security benefits. Elderly veterans receiving pension, including the majority of World War I veterans, would receive special consideration. The bill guarantees them a higher support level when they reach 80 years of age.

Our bill will finally resolve a problem that has plagued us for years — reductions in VA non-service-connected pensions when cost-of-living increases are granted in social security benefits.

You will be interested in these other bills recently passed by the House. The first is a 6.5 percent increase in service-connected compensation rates for disabled veterans and the same increase in D-I-C rates for surviving widows. Another bill reduces from 50 percent to 40 percent the degree of disability required for a veteran to receive additional compensation for dependents. Another bill proposes to increase by $300 per month the aid-and-attendance rate for certain totally disabled veterans who are in need of constant medical care.

The Veterans Housing Improvements Act of 1978 will increase the maximum guaranty on GI home loans from $17,500 to $25,000. It also increases the maximum grant for specially adapted housing to severely disabled veterans from the present $25,000 to $30,000.

Vietnam Era veterans will be honored by one of four bills relating to national cemeteries and burial benefits. It requires the Department of Defense to place in Arlington National Cemetery's Memorial Amphitheater a plaque commemorating their service. Other bills would increase the maximum burial allowance from $250 to $350 and provide payment of a $150 plot allowance to states. Still other measures that refine and update veterans' rights and entitlements have passed the House of Representatives.

You can see that the House Veterans Affairs Committee has been very busy and productive during this session of the 95th Congress.

Some of our fellow citizens tend to forget the Nation's responsibility to its veterans, I am sorry to say. I looked through a stack of clippings from one of our liberal newspapers not long ago; and would you believe it, we were all heroes to them on December 8, 1941, the day after Pearl Harbor. There were long feature stories about the crush of volunteers at recruiting stations. The same newspapers that now sneer at "flag-wavers" and "super-patriots" became poetic when writing about "Volunteer lines filled with boys not old enough to fight and men too old to fight."

Recently, the Washington Post, and some of you saw a cartoon of a great fat man saying, "The veterans lobbying." Another story began, "All recruiting records of the Nation's Armed Forces were shattered in this area as thousands of men attempted to enlist for combat duty with the Army, Navy, Marine Corps or Coast Guard."

Again on June 28, 1950, the newspaper discovered that we were heroes when President Truman committed troops to Korea. The editorial writers called it a "momentous and courageous act."

I think most of you remember Kipling's poem about the British soldier, Tommy Atkins, and it goes something like this, "It is Tommy this, and Tommy that, and chuck him out the brute, but the saviour of the country when the guns begin to shoot."

It is not news to you, of course, that the popularity of veterans fades as wars become more distant.

That's why we are in another battle right now — one we dare not lose. I am speaking of the Administration's proposal to limit veterans preference in federal employment. It is a direct slap at Vietnam veterans.

Every legitimate veterans organization opposes it, including one made up primarily of Vietnam veterans.

In all my years in Washington I have never seen such a concentrated attack as that mounted against this benefit. It is not so much that this is so important, but once we lose a battle, then they run us off of Capitol Hill.

We have seen editorials, vicious cartoons and slanted news stories suggesting that World War II and Korea veterans are trying to use veterans preference to crowd younger veterans out of federal jobs. That's an outright lie.

Even the Veterans Administration has joined their ranks — the first time the VA has ever campaigned against a benefit for veterans, so far as I know.

I know many of you have personal friends in Congress, and I hope — I can't urge you to do too much, because that is a violation of the rules, but Commander Smith, I don't think I have to say more, do I?

Let me tell you what is going to happen, the Subcommittee on Civil Service voted to knock out veterans preference, just get rid of it.

Jim Hanley, the Chairman of that Subcommittee, will offer an amendment which will restore veterans preference exactly as it is. What we want is the Hanley Amendment approved the day we get back to Congress.

I hope, I know we can count on you.

It is my job, as Chairman of the Veterans Affairs Committee and it is your job, to make certain that the sacrifices of the veterans of all wars and their families shall not be forgotten.

That is the reason it is so important, that is the reason your organization is so effective.

It is a living and growing monument to the wisdom of its founders. Again, as Washington said, "When we assumed the soldier, we did not lay aside the citizen." But as the future unfolds, it will take all the strength and ingenuity of The American Legion to make America remember her veterans.

NATIONAL COMMANDER SMITH: Congressman Roberts, I know that the delegates to this Convention are fully aware of the problems which you face in your responsibilities, and I am also certain that they know that you are a friend of the veteran, and that you believe in the principles which we, as The American Legion, have worked so hard to insure adequate benefits,

adequate hospitalization for the veterans of this Nation, and also that you lend your strong voice and support for those matters that pertain to the national security of the United States of America.

We will be talking with you from time to time as you well know, and we know that we will be able to solicit and to discuss the problems in regard to matters which are of importance to us. Thank you for being with us.

NATIONAL COMMANDER SMITH: Ladies and gentlemen, distinguished guests; certainly one of the very pleasant tasks of being National Commander this year, is to have had the opportunity to work with a very lovely lady who will next bring us greetings.

I want to express to the National President of the American Legion Auxiliary, our very special thanks for the support and assistance she and the Auxiliary have given us this year. The cooperation on those matters in which we have asked them to particularly assist us with, has been superb.

Certainly a highlight of the year has been the opportunity to work with the National President, to observe her dedication to the principles of the American Legion Auxiliary, and to the principles of The American Legion, to see the leadership which she has exhibited, and to have known that she believes that the American Legion Auxiliary is to serve with and for The American Legion.

It is my sincere pleasure to introduce to you the National President of the American Legion Auxiliary, Mrs. Vi Moltzen of North Dakota.

GREETINGS

Mrs. Vi Moltzen
President, American Legion Auxiliary

I am honored and privileged to be here this morning to bring you greetings. But I shall preface my greetings in particular to the Department of North Dakota.

Only one short year ago, I had the honor of being introduced to you as the newly elected National President of the American Legion Auxiliary — a whole year of opportunities stretched before me, days that seemed long, unending, almost frightening in their challenge, but how rapidly it went.

This has been a year of rededication of ourselves to those great objectives of service which The American Legion and the American Legion Auxiliary hold in mutual trust.

My prediction for the year was that we stand ready to meet the challenge of being responsive to the needs of our veterans, the needs of our young and old who are afflicted with handicaps and disease, and strengthening of the democratic spirit and our ideals of liberty and justice.

I am proud to voice my pride in the splendid record achieved this year by both The American Legion and the American Legion Auxiliary.

As I traveled to 51 Departments, I was convinced that our membership performed a recordbreaking number of projects and activities in the service of all mankind.

This outstanding year I am sure is unmatched by any other service organization on the face of this globe. This year represented the finest cooperative and humanitarian efforts ever put forth.

During my visits to nine foreign countries, I did not need to tell them how great you are, they told me.

It would do your heart good to hear the heads of state, the interested officials of those countries and the men on the street praise the Legion and the Auxiliary for its service to their people.

After returning from my foreign visits, I can only say that thank God, I am an American.

I want to thank you who have been most helpful to us in the Auxiliary in the fund-raising events supporting the Muscular Dystrophy Association, in the Jerry Lewis Telethon. The total efforts thus far have raised $240,593.

I am grateful, and know that those children who are afflicted with this dread disease, appreciate all of your efforts.

The American Legion Auxiliary is writing the final pages of its proud national record of our 58th National Convention, and our years of service to The American Legion and to the Nation.

We have been pleased to respond to your call of action in the many pertinent issues in our Nation's capitol which affected our veterans and our national security.

Success is never final, and failure never fatal. It is courage that counts. I commend our National Commander, Robert Charles Smith, for having had that type of courage in his convictions and in his efforts in behalf of our Nation's security.

Our Children and Youth Program aided 550,000 children in our Nation, both directly and indirectly with aid to the living, over $2 million we show our concern for the younger Americans.

The point that we take pride in is our Veterans Affairs and Rehabilitation Program, and we had 62,000 volunteers who this year gave nearly 3,000,000 hours of service, and a grand total of $3½ million to show the veterans that we care.

Your American Legion Auxiliary glories in your prestige and in the record of the patriotic service which you have written large across the history of this Nation, this year, as you have carried forth the disabled and their dependents, and contribute to the preservation of those ideals of democracy for which your comrades gave all and their measure of devotion.

Our interest in freedom is evidence that the United States has a stake in a law-abiding world, a world that is secure. This is still America, and the future depends upon whatever you make it.

My personal thanks go to you who join the ladies and your graciousness to me when I visited your Departments as the National President.

I am grateful to have served with so distinguished a gentleman as your honorable leader, the National Commander, Robert Charles Smith. He brought honor and prestige to The American Legion and the American Legion Auxiliary wherever he went.

To Robert Charles, I express my appreciation for your gracious and your dignified assistance this year.

Thank you. And now, with your permission, I would like to introduce only for a good morning and a word of greeting, our very capable National Secretary, Doris Anderson, from the Department of Texas.

NATIONAL COMMANDER SMITH: Madam President, we know you have had a busy Convention. We also know that your Convention is being successful, and I am sure with your leadership it will go down in the records as being one of the most successful.

Thank you for your assistance and for working with me and providing the Departments with the assistance which you have this year.

. . . National Vice Commander Eugene Lindquist, assumed the Chair.

REPORT OF CONVENTION COMMITTEE ON VETERANS AFFAIRS AND REHABILITATION

William F. Lenker (South Dakota) Chairman

Ninety-three members of your Committee on Veterans Affairs and Rehabilitation met at 10:00 a.m. on August 20, 1978, in sections G and H, Ballroom, Hyatt Regency Hotel, and again on August 23, 1978, in the Veterans Affairs and Rehabilitation cubicle, National Headquarters Office, and agreed on the following report, which is respectfully submitted for your consideration.

For the purpose of Committee organization, Robert E. Lyngh, Colorado, Director of the National Veterans Affairs and Rehabilitation Commission, having been designated by National Adjutant Frank C. Momsen as Liaison Representative, acted as temporary chairman. Thomas M. Schneiders, Colorado, Assistant Director of the Commission, acted as temporary secretary and called the roll. A quorum being present, nominations were received for permanent chairman of the Convention Committee on Veterans Affairs and Rehabilitation. William F. Lenker, South Dakota, Chairman of the standing National Veterans Affairs and Rehabilitation Commission, was unanimously elected Chairman of the Convention Committee.

With unanimous consent, he appointed Fred C. Heinle, Wisconsin, as Committee secretary; A. V. Akin, Georgia, Chairman and Grace I. Madsen, Oregon, secretary, respectively of the Medical and Hospital Subcommittee; and J. C. Taylor, Jr., Florida, Chairman, and Dale E. Kuhn, Indiana, secretary, respectively of the Claims and Rating Subcommittee. Subcommittee liaison assignments were as follows: Robert E. Lyngh, Director, and John F. Sommer, Jr., Chief of Claims, to Claims and Rating; and Thomas M. Schneiders, Assistant Director, and Carroll Williams, Claims Representative, to Medical and Hospitals.

The following officials were present from the Veterans Administration: Carl T. Noll, Chief Memorial Affairs Director; Charles H. Hight, Vice Chairman, Board of Veterans Appeals; and Dr. Thomas J. Fitzgerald, Acting Chief Medical Director.

As has been custom for the 34 previous National Conventions, a special Department Service Officers Committee on Veterans Affairs and Rehabilitation resolutions, in a four-day pre-convention meeting, screened and grouped the resolutions. A report of their analysis, with recommendations, was presented to the Convention Committee for consideration.

The Convention Committee expressed appreciation of the fine work performed by this Screening Committee in analyzing the resolutions. They conserved the time of the Convention Committee substantially. The Screening Committee was composed of the following Department Service Officers:

AREA A — Howard E. Eisman, Maine
AREA B — Robert Vogel, Pennsylvania
AREA C — Thomas W. Miller, Arkansas
AREA D — Val Likens, Iowa
AREA E — Glenn R. Hunsinger, Oregon

The Convention Committee recommends that such a committee be appointed for this purpose to serve the Sixty-First National Convention Committee on Veterans Affairs and Rehabilitation.

The 117 Veterans Affairs and Rehabilitation resolutions presented for consideration of this Convention were referred by the Resolutions Assignment Committee from 39 Departments, and one originated in your Convention Committee. These resolutions are classified as follows:

Policy	43
National Cemeteries	7
Medical and Hospital	9
VA Hospitals	5
Claims and Rating	49
Vocational Rehabilitation and Education	3
Insurance	2

The following action on resolutions was taken by the Convention Committee:

Approved, or approved as amended	39
Consolidated with resolutions approved	44
Received and Recorded	2
Referred to standing Commission	16
Rejected	17

A report of action taken on the 16 resolutions referred to the standing National Veterans Affairs and Rehabilitation Commission will be made to the National Executive Committee and to the Adjutant of the Department concerned, and, in addition, will be contained in the National Adjutant's report to the 61st Annual National Convention.

In each category, the resolutions are arranged in sequence to permit orderly consideration of related topics by this Convention.

Approved Resolutions

Policy

Resolution No. 3 (Panama, Canal Zone) — "Support Legislation Concerning Space Available Travel on Military Aircraft for 100 Percent Disabled Veteran"

WHEREAS, America's 100 percent disabled veterans should not be denied their just rights, and should be afforded the same benefits given to retired members of the U.S. military forces; and

WHEREAS, The granting of space available travel on U.S. military aircraft would in no way be a deterrent to our military might, but would indeed enhance the living standards of our 100 percent disabled veterans (service-connected); and

WHEREAS, The American Legion is an organization of war veterans who have dedicated themselves to be of service to the community, state and Nation, and for the betterment of the Nation's war veterans; and

WHEREAS, The American Legion, united with America's other veterans organizations, form a mighty force with a formidable voice in the Nation's legislative frontiers; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation so as to provide for space available travel on military aircraft for 100 percent disabled veterans.

Resolution No. 10 (Philippine Islands) — "Support Legislation for the Reopening of the Guerrilla Recognition Program of the Commonwealth of the Philippines by the Department of Defense of the United States"

WHEREAS, Approximately 400,000 citizens of the Commonwealth of the Philippines served in the Guerrilla Forces of the Commonwealth; and

WHEREAS, These forces were paid, equipped and received allowances and services from the United States Army; and

WHEREAS, Upon the cessation of hostilities and the end of the Japanese occupation, these forces were recognized as Guerrilla Forces by the Army of the United States and authorized to receive the veterans benefits authorized by the U.S. Government; and

WHEREAS, Upon a revision of the roster of the Guerrillas in 1948, approximately 125,000 members were dropped from the original rolls; and

WHEREAS, On the basis of records of the U.S. Army, the Republic of the Philippines recognized these individuals as bona fide veterans of the Commonwealth Army; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation for the reopening of the Guerrilla Recognition Program of the Commonwealth of the Philippines by the Department of Defense of the United States.

Resolution No. 18 (North Dakota) — "Oppose Any Administrative or Legislative Proposal to Transfer to Any Department or Agency Those Functions Relating to Education Vested in the Administrator of Veterans Affairs"

WHEREAS, Legislation under consideraton by the United States Congress proposes to establish in the Executive Branch of the United States Government a Cabinet level Department of Education; and

WHEREAS, One of the legislative proposals would authorize the transfer of all educational assistance functions vested by Title 38, United States Code, in the Administrator of Veterans Affairs to the proposed Department of Education; and

WHEREAS, The American Legion has always supported the concept that the Veterans Administration shall be the single agency to administer all veterans programs, both to maintain their proper identity as veterans programs and to insure their responsiveness to the special needs of veterans and their families; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion opposes and shall continue to oppose any administrative or legislative proposal that would transfer to and vest in any other department or agency any functions vested in the Administrator of Veterans Affairs under chapters 32, 34, 35, and 36 ot Title 38, United States Code.

Resolution No. 44 (Nebraska) — "Oppose Any Further Reduction in the Average Daily Operating Bed Level in Veterans Administration Hospitals"

WHEREAS, The Administrator of Veterans Affairs in June 1977, announced plans to reduce the number of acute care beds in VA hospitals by 5,000 over the next five year period; and

WHEREAS, The Budget of the United States for Fiscal Year 1979, under Veterans Benefits and Services, proposes a reduction in the number of operating beds in VA hospitals by 3,100 during Fiscal Year 1979; and

WHEREAS, The American Legion has reason to believe that further reductions in the number of operating beds will be proposed for Fiscal Year 1980; and

WHEREAS, In 1970, there were 2.2 million veterans age 65 and older and statistical projections indicate that this number will more than double between 1980 and 1990; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled inNew Orleans, Louisiana, August 22-24, 1978, That The American Legion shall vigorously oppose any plans or proposals by the Veterans Administration or others which would further reduce the average daily operating bed capacity in Veterans Administration hospitals; and, be it further

RESOLVED, That The American Legion shall support expansion of the intermediate and extended care operating bed capacity in the Veterans Administration hospital care system to assure meeting the requirements of the aging veteran population.

Consolidated with this resolution are: **Res. Nos. 146** (Minn.), **173** (Kan.) and **467** (D.C.).

Resolution No. 106 (Idaho) — "Urges the Congress of the United States to Provide Sufficient Veterans Administration Health Care Facilities for the Treatment and Care of the Non-Service-Connected Disabilities of War Veterans"

WHEREAS, Section 610 of Title 38, United States Code, provides that the Administrator of Veterans Affairs, within the limits of Veterans Administration facilities, may furnish needed hospital care to any veteran for a non-service-connected disability if such veteran is unable to defray the expense of such hospital care; and

WHEREAS, The veteran population is growing increasingly older and the Veterans Administration medical care program must be prepared to meet the increasing medical care needs of our older veteran population; and

WHEREAS, The Administrator of Veterans Affairs has proposed to reduce the average daily operating bed level by 3,132 beds, which action will reduce the availability of hospital care facilities for the treatment of the nonservice-connected disabilities of the Nation's war veterans; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall urge the United States Congress to authorize funding of the Veterans Administration medical care service at such level as will assure that war veterans may be provided required care for their nonservice-connected disabilities in Veterans Administration health care facilities.

Consolidated with this resolution is: **Res. No. 357** (Okla).

Resolution No. 145 (Minnesota) — "Urges Congress to Authorize Adequate Funding of Veterans Administration Medical Research Programs"

WHEREAS, Appropriations for Veterans Administration medical research provides support for health service research projects at VA hospitals and clinics for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans; and

WHEREAS, Objectives of the medical research programs are directed toward their important impact upon the Veterans Administration hospital patient care and teaching programs; and

WHEREAS, The Veterans Administration medical research programs contribute materially to the health care of veterans and the Nation as a whole by generating new knowledge; and

WHEREAS, The excellence of the Veterans Administration medical research programs is attested to by the recent recognition of eight VA researchers on a national and international scale; two of whom were awarded the Nobel Prize; and

WHEREAS, The American Legion is concerned that the proposed budget for medical research in the VA for Fiscal Year 1979 submitted by the president would do great harm to the high quality of VA medical research; now, therefore, be it

RESOLVED, By The American Legion in National Convention, assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall urge the Congress to authorize adequate budget funding in Fiscal Year 1979 and in future years of the Veterans Administration medical research programs.

Resolution No. 148 (Minnesota) — "Urges Congress to Adequately Fund the Veterans Administration Health Care System Construction Program"

WHEREAS, The Veterans Administration construction appropriation provides for constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition; and

WHEREAS, The Veterans Administration health care system is comprised of 172 hospitals, 219 outpatient clinics, 89 nursing home care units, and 16 domiciliaries; and

WHEREAS, Within this VA health care system there are aging facilities that need replacement or renovation or modernization, and the increasing age of the veteran population requires the construction of new facilities or modification of existing ones; and

WHEREAS, There were many shortfalls in major construction projects in the budget submitted by the Administration to the Congress for Fiscal Year 1979; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall urge the Congress, in its consideration of the Veterans Administration Fiscal Year budgets, that sufficient budget authorization be provided each year to enable the Veterans Administration to carry out a planned program of maintaining an up-to-date system of health care facilities and one suited to its mission of providing medical services for the Nation's veterans.

Consolidated with this resolution is: **Res. No. 468** (D.C.).

Resolution No. 161 (Vermont) — "Support the Study Being Conducted By The Center of the Disease Control Into the Effects of Exposure To Radiation on Personnel Involved In The 1957 Atomic Test 'Smoky,' As Well As Participants In Other Atomic Tests"

WHEREAS, During the period 1945-1962, according to the Department of Energy, there were approximately 200 atmospheric nuclear weapon tests, in the U.S. and the Pacific, which involved approximately 347,000 persons, most being active duty service personnel; and

WHEREAS, It has come to public attention that a significant number of veterans who were present at these tests have subsequently developed cancer and/or other similar diseases which might be linked to their exposure to radiation in service; and

WHEREAS, The Center for Disease Control in Atlanta, with the cooperation and assistance of the Veterans Administration, the Department of Defense, and the Department of Energy, has undertaken a detailed medical study of the personnel known to have been present at the 1957 atomic test called "Smoky;" and

WHEREAS, A broadly based medical study of the participants of all the atomic tests has been proposed which would be conducted by an independent government agency, such as the Center for Disease Control, the National Research Council, or a similar agency; and

WHEREAS, The ability of these agencies to locate the individuals identified in the records of these tests is greatly limited by the general lack of any system for medical follow-up and the absence of current address information; and

WHEREAS, It is felt The American Legion with 2.7 million members in 16,000 Posts can be instrumental in helping to locate veterans who were involved in these tests; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support the current study being conducted by the Center for Disease Control on atomic test "Smoky" and the proposed study of the participants of the other atomic tests by an agency to be designated; and, be it further

RESOLVED, That all Departments and Posts are urged to utilize all means available to publicize the current and planned study and to assist in locating veterans who participated in any atomic tests while on active duty and further, to assist such veterans to contact the Center for Disease Control, or any other agency funded to study this problem; and, be it finally

RESOLVED, That The American Legion through its Posts, Departments and the National Organization, shall offer assistance to any veterans involved in atomic tests while on active duty, and who have developed health problems possibly resulting from radiation exposure, to file and develop appropriate claims for benefits under laws administered by the Veterans Administration.

Resolution No. 169 (Kansas) — "Veterans Administration To Be Continued As Independent Agency"

WHEREAS, The Veterans Administration was especially created for or concerned in the administration of all laws relating to the relief and other benefits provided by the law for veterans, their dependents, and their beneficiaries; and

WHEREAS, From time to time, legislative or administrative reorganization plans are presented to merge jurisdiction and administration of veterans programs with those provided for nonveterans and under the administration of another federal agency; and

WHEREAS, It is the consensus of The American Legion that the Veterans Administration must be continued as the one independent agency in the Executive Branch of the Federal Government for the administration and execution of veterans benefits and services programs provided by law for veterans, their dependents and their survivors; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall continue to exert every effort, influence, and resource to assure rejection of those reorganization plans that would transfer from the Veterans Administration sole jurisdiction of any veterans benefits and services programs; and, be it further

RESOLVED, That The American Legion shall support continuation of the Veterans Administration as the sole independent agency in the Executive Branch of the Federal Government responsible for the administration and execution of benefits and services programs provided by law for veterans, their dependents, and survivors.

Consolidated with this resolution are: **Resolution Nos. 81** (Mass.), **210** (N. Y.) and **471** (D.C.).

Resolution No. 170 (Kansas) — "Sponsor and Support Legislation To Amend 38 USC, So As To Make The Veterans Administration An Executive Department"

WHEREAS, The Veterans Administration is an independent establishment in the Executive Branch of the Government, especially created for or concerned in the administration of laws relating to the relief and other benefits provided by law for veterans, their dependents, and their beneficiaries; and

WHEREAS, The Administrator of Veterans Affairs is the head of the Veterans Administration and is appointed by the President, by and with the advice and consent of the Senate; and

WHEREAS, The Administrator, under the direction of the President, is responsible for the proper execution and administration of all laws administered by the Veterans Administration and for the control, direction, and management of the Veterans Administration; and

WHEREAS, The Administrator serves as the advisor on veterans affairs to the President of the United States; and

WHEREAS, There is a veteran population in civilian life of nearly thirty million; and

WHEREAS, Veterans and their dependents and the survivors of deceased veterans bring the potential beneficiary population up to about 45 percent of the population of the United States; and

WHEREAS, There are within the Federal Government structure at least eight other agencies directly concerned with some sort of service to veterans; and

WHEREAS, There is a need for consistency and common purpose between the many benefits and rights established by the Congress of the United States for veterans of service in the Armed Forces and for the dependents and beneficiaries of deceased former members; and

WHEREAS, The American Legion believes there should be a clear-cut channel by which the Administrator of Veterans Affairs can regularly supply facts and counsel to the President and, in turn, receive the President's guidance and support; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation to amend Title 38, United States Code, to make the Veterans Administration an Executive Department.

Consolidated with this resolution are: **Resolution Nos. 266** (Ill.) and **487** (N. C.).

Resolution No. 191 (Wisconsin) — "Judicial Review Of The Decisions Of The Administrator Of Veterans Affairs"

WHEREAS, Legislation has been introduced in the United States Congress to amend 38 USC 211(a) so as to authorize judicial review of the decisions of the Administrator of Veterans Affairs; and

WHEREAS, The Congress has consistently barred all judicial review of the decisions of the Administrator in other than contractual matters since 1924; and

WHEREAS, As recently as Public Law 91-376, approved August 12, 1970, the Congress firmly and unequivocally reaffirmed its intent that the Administrator's decisions be final, when it added to section 211(a) the concluding words, "by an action in the nature of mandamus or otherwise," and

WHEREAS, The Congress enacted this finality statute not to limit the rights of veterans and their dependents or survivors, but to protect them from interference by outside agencies; and

WHEREAS, The National Veterans Affairs and Rehabilitation Commission is convinced that judicial review is not desirable because it would involve procedures and processes that would ultimately work to the detriment of the veteran, his dependents, and survivors, such as, formalizing the adjudication process, institution of adversary proceedings, etc.; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall continue to oppose enactment of any measure that would amend 38 USC 211(a) so as to authorize judicial review of the decisions of the Administrator of Veterans Affairs except as presently authorized in 38 USC 775 and 784, and Chapter 37 of such title.

Resolution No. 192 (Wisconsin) — "American Legion Policy On National Health Insurance"

WHEREAS, The National debate on the merits of National Health Insurance continues; and

WHEREAS, The American Legion has not participated in the debate on National Health Insurance, considering the subject to be not germane to the purposes for which The American Legion was organized; and

WHEREAS, Throughout the debate on the subject of National Health Insurance, The American Legion has publicly made known its single position on the subject, to wit, that any National Health Insurance program that may be enacted into law must not be permitted to constitute a threat to the integrity of the Veterans Administration medical care program for veterans; and

WHEREAS, The American Legion's position on the subject of National Health Insurance is set forth in the report of the Special Medical Care Advisory Committee, adopted as American Legion Policy by the 1972 National Convention, and in the report of the National Commander's Ad Hoc Committee on National Health Insurance, adopted as policy by the National Executive Committee in May 1974; and

WHEREAS, The American Legion has at each opportunity, made known its position on National Health Insurance to the appropriate Committees of Congress; and

WHEREAS, The American Legion's position on National Health Insurance continues to be as it is set forth in the policies aforementioned; and

WHEREAS, It will be necessary for The American Legion to make known its position to the 96th Congress; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the National Commander is authorized and directed to seek and use whatever opportunities may be available to make known to the Congress and to the President that it is the earnest recommendation of The American Legion that National Health Insurance legislation shall include the following provisions:

1. That the medical care program operated by the Veterans Administration is recognized as one providing health care services exclusively for veterans, and it shall continue to be so maintained and operated, and

2. That a veteran applying for medical care from the Veterans Administration, to which he is otherwise entitled, and who, in accordance with existing law and regulations, is required to state his inability to pay for his own care, shall not be required to consider, in making such statement, any medical benefits that would accrue to him under the provisions of a Federal Health Care Act; and, be it further

RESOLVED, That if the provisions set forth above are included in a Federal Health Care Act, then The American Legion shall make no objection to any section of the Act providing for reimbursement to the Veterans Administration, for cost of treatment rendered the veteran for nonservice-connected disabilities, of benefits to which the veteran may be entitled under a Federal Health Care Act.

Consolidated with this resolution are: **Resolution Nos. 62** (Ariz.), **82** (Mass.), **147** (Minn.) and **470** (D.C.).

Resolution No. 320 (Virginia) — "Budgetary Needs Of The Veterans Administration"

WHEREAS, The Act of July 3, 1930, authorized the establishment of the Veterans Administration as an independent agency in the Executive Branch of the Government; and

WHEREAS, The Veterans Administration was especially created to coordinate and consolidate Federal activities in the administration of laws providing benefits for veterans; and

WHEREAS, The laws administered by the Veterans Administration authorizing benefits for former members of the Armed Forces and for the dependents and other beneficiaries of deceased former members of such forces are classified into the following general categories:

Compensation for service-connected disabilities and death

Pensions for income maintenance of veterans and survivors

Educational and training assistance and loans

Servicemen's life insurance — Veterans life insurance

Hospital and medical care services

Nursing home and domiciliary care

Health manpower training

Medical and prosthetic research

Burial benefits; and

WHEREAS, For several years the Office of Management and Budget of the Executive Branch has engaged in systematic attempts to reduce appropriations for Veterans Administration General Operating Expenses, Medical and Hospital Care, Medical and Prosthetic Research, Medical and Miscellaneous Operating Expenses, and construction of major and minor facilities; and

WHEREAS, Veterans Administration compiled and projected statistics indicated that nearly 30 million veterans have potential eligibility for benefits of one type or another, and counting dependents and survivors that about 44 percent of the total population of the United States are potential recipients of benefits and associated services administered by the Veterans Administration; and

WHEREAS, Any reduction in appropriations and outlays recommended by the Office of Management and Budget may be effected only by cutting service to eligible veterans in the areas associated with medical care, medical administration, medical and prosthetic research, general operating expenses (the fund account providing administrative and operating expenses of the Adjudication services), and delay needed modification, modernization, and construction of hospital and nursing bed care facilities; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the President of the United States and the Congress to give high priority to the budgetary needs of the Veterans Administration to administer and provide the benefits authorized by law for former members of the Armed Forces and for the dependents and other beneficiaries of deceased former members of such forces.

Consolidated with this resolution are: **Resolution Nos. 88** (Mont.), **117** (Ky.) and **156** (Conn.).

Resolution No. 421 (Texas) — "Rename The Veterans Administration Center, Temple, Texas, The 'Olin E. Teague Veterans Administration Hospital' "

WHEREAS, Congressman Olin E. Teague has announced that he will *not* seek reelection to represent the Texas Sixth Legislative District when his present term in office expires; and

WHEREAS, Mr. Teague has served in Congress for more than thirty (30) years and was head of the House Veterans Affairs Committee for almost two decades before assuming his present position as Chairman of the Science and Technology Committee and continues second in seniority on the Veterans Affairs Committee; and

WHEREAS, Mr. Teague has sponsored more beneficial and constructive veterans' legislation than any other man in the history of Congress; and

WHEREAS, Mr. Teague is a living example of the classic veteran — serving in the National Guard as an enlisted man for three years; commissioned 2nd Lieutenant via the Reserve Officers Training Corps upon graduation from Texas A & M University; volunteering for Army service in 1940 and coming out of World War II as a highly decorated Colonel; and

WHEREAS, The Congressman served with distinction and was wounded six times and spent two years in Army hospitals, most of which was at the McCloskey Army Hospital, Temple, Texas, later taken over by the Veterans Administration and is presently known as the Veterans Administration Center, Temple, Texas; and

WHEREAS, He is the highest decorated member of Congress and among his eleven citations are the Silver Star with two Clusters, Combat Infantryman's Badge, Army Commendation Ribbon and the French Croix de Guerre with Palm; and

WHEREAS, Even though confined to the hospital, he successfully directed a political campaign that led to his election to Congress in 1946; and

WHEREAS, The American Legion honored Mr. Teague in 1970 with its highest recognition — the Distinguished Service Award. The legend on his plaque says it all: "For outstanding service as a civilian, as a soldier, and as a Congressman who has served with dignity, honor and courage."; and

WHEREAS, The Veterans Administration Center, Temple, Texas, which nursed Mr. Teague back to health and meant so much to him for so many years, stands as a Center that is the heart of the VA's hospital programs in Texas; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation to rename the Veterans Administration Hospital, Temple, Texas, as the "Olin E. Teague Veterans Administration Hospital."

Resolution No. 443 (Iowa) — "Urges Congress To So Fund The Veterans Administration Medical Care Program As Will Assure That Eligible Veterans Receive Needed Outpatient Treatment For Their Nonservice-Connected Conditions"

WHEREAS, The Veterans Administration, within the limits of VA facilities, may furnish medical services for any disability on an outpatient or ambulatory basis to any veteran eligible for hospital care where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission; and

WHEREAS, Subsequent to the enactment of Public Law 94-581, the Veterans Omnibus Health Care Act of 1976, veterans are experiencing difficulty in obtaining medical services in Veterans Administration health care facilities on an ambulatory or outpatient basis; and

WHEREAS, The Fiscal Year 1979 United States Budget, under Veterans Affairs, implies a deemphasis in the Administration's concern with providing medical services for the nonservice-connected conditions of veterans; and

WHEREAS, The American Legion continues to believe that veterans eligible for hospital care of their nonservice-connected disabilities should be provided needed medical service in VA health care facilities; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall urge the Congress to increase the funding of the Veterans Administration medical care programs so as to assure that veterans in need of outpatient or ambulatory treatment of their nonservice-connected disabilities will not be referred to another State or Federal Agency for treatment.

Resolution No. 472 (District of Columbia) — "Oppose Any Legislation Which Would Further Erode The Distinction In Benefits And Services Provided War Veterans"

WHEREAS, The eligibility for membership in The American Legion is reserved to those who served honorably in the Armed Forces of the United States during World War I, World War II, the Korean Conflict, or the Vietnam Era; and

WHEREAS, Since its founding The American Legion has supported the establishment and an authorization by the Congress of distinctive programs for war veterans and their dependents and survivors; and

WHEREAS, The American Legion has noted the gradual changes in veterans benefits and services which have eroded the distinction in these benefits and services provided those who served in a war period and those who served in time of peace; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall oppose enactment of any legislation which will further destroy the distinction in veterans benefits and services between those who served in the United States Armed Forces during a period of war or armed conflict and those who served in such forces in time of peace.

National Cemeteries

Resolution No. 61 (Arizona) — "The American Legion Policy On Improving The National Cemetery System and Death And Burial Benefits For Veterans"

WHEREAS, The National Cemetery System of the Veterans Administration is proceeding with development and expansion of the National Cemetery System by establishing national cemeteries in California, Pennsylvania, Massachusetts, New York and the environs of Washington, D.C., and through other improvements in existing national cemeteries; and

WHEREAS, The American Legion supports the actions by the Veterans Administration to further develop and expand the National Cemetery System, and wishes to encourage it further; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion calls upon the Veterans Administration to establish additional national cemeteries wherever a need for them is apparent; and, be it further

RESOLVED, That The American Legion shall support legislation to provide contract burials for veterans who are indigent at time of death; and, be it further

RESOLVED, That The American Legion shall support legislation to provide Federal financial assistance for the establishment of State Veterans' Cemeteries; and of Veterans Sections in cemeteries owned and operated by local governmental units; and, be it further

RESOLVED, That The American Legion shall support legislation providing for the construction of columbaria and mausoleums wherever feasible within national cemeteries; and, be it further

RESOLVED, That The American Legion shall oppose any effort, from whatever source to reduce or eliminate the present burial allowance and plot allowance provided to veterans under the laws and regulations administered by the Veterans Administration, or the reduction or elimination of the earned burial benefit payable to all citizens who qualify for it under the Social Security Act as amended; and, be it finally

RESOLVED, That The American Legion again urges upon the Department of Defense that the only equitable policy for burials at Arlington National Cemetery is the admission thereto of all war veterans whose service was honorable.

Medical and Hospitals

Resolution No. 116 (Kentucky) — "Sponsor And Support Legislation To Amend Section 613, 38 USC, So As To Provide That The Term 'Veteran' As Used In This Section, Includes A Person Who Died In The Active Military, Naval, Or Air Service"

WHEREAS, Section 613(a) of Title 38, United States Code, authorizes the Veterans Administration to provide medical care for the widow of a veteran who died as a result of a service-connected disability; and

WHEREAS, Section 103(d)(2) of such title, provides that the remarriage of the widow of a veteran shall not bar the furnishing of benefits to her as the widow of the veteran if the remarriage has been terminated by death or has been dissolved by a court with basic authority to render divorce decrees; and

WHEREAS, For the purpose of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), a "widow" is defined as a person who was a spouse at the time of death of the active duty member and who has not remarried; and

WHEREAS, For the purpose of Title 38, United States Code, the term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable; and

WHEREAS, The remarried widow who was a spouse of the active duty member at the time of death and whose remarriage was terminated by death or divorce, is barred from receiving Veterans Administration medical care under section 613(a) of Title 38, United States Code, and under the provisions of CHAMPUS; and

WHEREAS, The American Legion believes that the widows of persons who died while on active duty should have access to medical care under section 613(a) of Title 38, United States Code, under an eligibility criteria identical to that for widows of veterans who died as a result of a service-connected disability; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend section 613 of Title 38, United States Code, so as to provide that the term "veteran" as used in this section, includes a person who died in the active military, naval, or air service.

Consolidated with this resolution is: **Resolution No. 486** (N.C.).

Resolution No. 172 (Kansas) — "Urge Congress In Funding VA Health Care Programs To Assign High Priority To VA Alcohol And Drug Treatment And Rehabilitation Programs"

WHEREAS, Alcohol abuse and alcoholism continue to be one of the most significant factors adversely affecting the health and welfare of veterans of all ages; and

WHEREAS, Drug abuse and drug addiction also constitute a serious hazard to the health and welfare of many veterans; and

WHEREAS, The Veterans Administration has an ongoing program of treatment and rehabilitation, functioning in many of its hospitals and clinics; and

WHEREAS, The American Legion has and does provide full support for this program; and

WHEREAS, With due regard to the scope of the alcohol and drug problem among veterans, the continued expansion of the program to additional VA hospitals and clinics is clearly indicated; and

WHEREAS, The indicated expansion is not occurring at the rate which The American Legion considers necessary, due to budgetary restrictions; and

WHEREAS, The American Legion considers the further expansion of the VA's Alcohol and Drug Treatment and Rehabilitation Program to be a vital element of the Veterans Administration medical care program for veterans; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion calls upon the Veterans Administration to proceed with formulation of a comprehensive Alcohol and Drug Treatment and Rehabilitation Program encompassing the entire VA system of hospitals and clinics; and, be it further

RESOLVED, The American Legion urges Congress, in funding VA health care programs, to assign high priority to the VA Alcohol and Drug Treatment and Rehabilitation Programs.

Resolution No. 221 (Ohio) — "Sponsor And Support Legislation To Amend 38 USC 612(b) And (e) To Include Veterans Of World War I For The Purpose Of Hospitalization And Outpatient Medical And Dental Treatment"

WHEREAS, Title 38, USC, provides that any disability of a veteran of the Spanish-American War or Indian Wars, shall be, for the purposes of medical treatment, considered a service-connected disability; and

WHEREAS, The average age of the World War I veteran is now 81.8 years; and

WHEREAS, The American Legion feels that, as a result of their age, the veterans of World War I are suffering more frequent physical infirmities, resulting in the need for outpatient medical and dental treatment or hospitalization; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend 38 USC 612(b) and (e) to include veterans of World War I.

Resolution No. 245 (California) — "Sponsor And Support Legislation To Amend 38 USC 612(f), So As To Authorize Outpatient Dental Treatment For Those Veterans Otherwise Eligible For Medical Services Under This Section"

WHEREAS, 38 USC 612(a) provides that the Administrator, within the limits of Veterans Administration facilities, may furnish such medical services as he finds reasonably necessary to any veteran for a service-connected disability; and

WHEREAS, 38 USC 612(f) provides that the Administrator may also furnish medical services for any disability on an outpatient or ambulatory basis —

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or to obviate the need of, hospital admission, or (B) where such a veteran has been granted hospital care and such medical services reasonably necessary to complete treatment incident to such hospital care, and

(2) to any veteran who has a service-connected disability rated at 50 percentum or more; and

WHEREAS, Veterans Administration instructions provide that the term "medical services" for the purpose of section 612(f) does not include outpatient dental treatment; and

WHEREAS, The American Legion believes that medical services authorized under the provisions of section 612(f) should include outpatient dental treatment; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend 38 USC 612(f) so as to authorize outpatient dental treatment for those veterans otherwise eligible for medical services under such section.

Veterans Administration Hospitals
Fred C. Heinle (Wisconsin) Secretary

Resolution No. 186 (Pennsylvania) — "The Veterans Administration Outpatient Clinic At Philadelphia"

WHEREAS, The Veterans Administration Outpatient Clinic in Philadelphia has deteriorated in providing service to veterans since its consolidation with the Philadelphia Veterans Administration Hospital; and

WHEREAS, This deterioration has occurred because of loss of professional, technical and administrative staff; and

WHEREAS, Necessary medical equipment has not been supplied, repaired or replaced to provide care to veterans; and

WHEREAS, Nothing has been done by the Philadelphia Veterans Administration Hospital to improve the quality of care at the Veterans Administration Outpatient Clinic; and

WHEREAS, This being true, the veteran is receiving second-rate care of the Veterans Administration Outpatient Clinic; and

WHEREAS, Costs of fee basis care have greatly increased since consolidation; and

WHEREAS, Veterans in the community have been dissatisfied with the present arrangement and have complained to their Congressmen; and

WHEREAS, This indicates that medical care to veterans has not been available and money has not been saved; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the Congress and the VA to restore the Outpatient Clinic, Philadelphia, to its previous independence, and that it be operated as an independent outpatient facility.

Claims and Rating

Resolution No. 42 (Nebraska) — "Sponsor And Support Legislation To Provide A Statutory Presumption Of Service-Connected Death Of Any Veteran Who Dies From

Natural Causes Whose Service-Connected Disability Was Rated Permanent And Total For 10 Or More Years"

WHEREAS, Dependency and indemnity compensation is payable to the surviving spouses, children and dependent parents of any veteran who dies from a service-connected disability; and

WHEREAS, Veterans Administration regulations do provide that service connection may be granted where it is established that a nonservice-connected condition was the principal cause of death but that a service-connected condition contributed substantially or materially; and

WHEREAS, No consideration in these determinations is given to the fact that severe chronic disabilities materially shorten the life expectancy of these veterans; and

WHEREAS, The dependents of these veterans, because of this reduction in life expectancy, are denied the economic support of the veteran by reason of reduced earning capacity and economic security; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend 38 USC, Chapter 13, so as to provide that the surviving spouses, children, and dependent parents of any veteran who died from natural causes after a service-connected disability has been rated total and permanent for 10 years shall be entitled to dependency and indemnity compensation.

Consolidated with this resolution is: **Resolution No. 77** (Mass.).

Resolution No. 43 (Nebraska) — "Sponsor And Support Legislation To Provide That Where an Eligible Veteran Dies In A State Veterans' Home, The Administrator Of Veterans Affairs Shall Pay The Cost Of Transporting The Remains To Place Of Burial"

WHEREAS, A veteran who passes away in a State Veterans' Home is not allowed transportation cost for the remains to place of burial; and

WHEREAS, Many such families of veterans must assume the cost of transportation; and

WHEREAS, If a veteran passes away in a Veterans Administration hospital, transportation of the remains is payable; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to provide that where an eligible veteran dies in a State Veterans' Home, the Administrator of Veterans Affairs shall pay the cost of transporting the remains to place of burial.

Resolution No. 45 (Nebraska) — "Sponsor And Support Legislation To Amend 38 USC, 3203(b)(1) Which Would Increase The Amounts In This Section Of Law To $3,000 And $1,000 Respectively"

WHEREAS, 38 USC 3203(b)(1), provides that in any case in which a veteran having neither wife nor child is being furnished hospital treatment, institutional or domiciliary care without charge or otherwise by the United States, or any political subdivision thereof, is rated by the Veterans Administration in accordance with regulations as being incompetent by reason of mental illness, and his estate from any source equals or exceeds $1,500, further payments of pension, compensation, or emergency retirement pay shall not be made until the estate is reduced to $500; and

WHEREAS, The amounts indicated in this section of law have been in effect since August 8, 1946, without amendments; and

WHEREAS, The American Legion feels that the substantial increase in the cost of living since 1946 makes this section of law inequitable and creates undue hardship on such veteran; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The Amerian Legion sponsor and support legislation to amend 38 USC 3203(b)(1) which would increase the amounts in this section of law to $3,000 and $1,000 respectively.

Consolidated with this resolution is: **Resolution No. 323** (Va.).

Resolution No. 80 (Massachuetts) — "Oppose Adoption And Application Of Any VA Schedule For Rating Disabilities Which Is Not Based Upon The Average Impairment Of Earning Capacity Resulting From Such Injuries In Civil Occupations"

WHEREAS, Section 355 of Title 38, United States Code, provides — 'The Administrator shall adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The schedule shall be constructed so as to provide ten grades of disability and no more, upon which payments of compensation shall be based, namely, 10 per centum, 20 per centum, 30 per centum, 40 per centum, 50 per centum, 60 per centum, 70 per centum, 80 per centum, 90 per centum, and total, 100 per centum. The Administrator shall from time to time readjust this schedule of ratings in accordance with experience."; and

WHEREAS, The American Legion, under the authority of Resolution 5 of the 1941 National Convention, established a Rating Schedule Committee for the purpose of studying and analyzing the 1933 Schedule for Rating Disabilities; and

WHEREAS, Through that Committee, The American Legion made definite contributions to the preparation of the Veterans Administration 1945 Edition of the Disability Rating Schedule promulgated by the Administrator of Veterans Affairs in 1945 under the authority of Veterans Regulation 3(a); and

WHEREAS, The American Legion continues to support the concept that disability ratings for compensation purposes shall be based, as far as practicable, upon the average impairments in earning capacity resulting from such injuries in civil occupations; and

WHEREAS, The Administrator of Veterans Affairs does from time to time readjust the schedule of ratings in accordance with experience; and

WHEREAS, The American Legion and others are given an opportunity to review and comment on the Administrator's proposed changes or adjustments to the schedule of ratings; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall oppose the adoption and application of any schedule for ratings of reductions in earning capacity from specific injuries or combination of injuries which is not based on the average impairments of earning capacity resulting from such injuries in civil occupations.

Resolution No. 94 (Oregon) — "Sponsor And Support Legislation To Amend 38 USC 110, To Provide That Any Disability Which Has Been Continuously Rated At Or Above Any Evaluation For Ten Or More Years For Compensation Purposes Under Laws Administered By The Veterans Administration Shall Not Thereafter Be Rated At Less Than Such Evaluation, Except Upon A Showing That Such Rating Was Based On Fraud"

WHEREAS, The American Legion believes and strongly supports that a service-connected disability which has been continuously rated at or above any evaluation for compensation purposes should be protected after ten years and shall not thereafter be rated at less than such evaluation, except upon a showing that such rating was based on fraud; and

WHEREAS, Throughout the history of this great Nation, the people and the Congress have provided special benefit programs for those men and women who honorably served in time of war; and

WHEREAS, The service-connected condition contributed substantially or materially and for many veterans is the principal cause of death; and

WHEREAS, No consideration in these determinations are given to the fact that the severe chronic disabilities materially shorten the life expectancy of these veterans; and

WHEREAS, The American Legion is convinced that the length of time for the preservation of disability rating evaluations should be the same as that which currently applies to the protection of service-connected (referring to section 110 of Title 38, United States Code and section 110 of Title 38, United States Code and section 359 of Title 38, United States Code; and

WHEREAS, Section 110 of Title 38, United States Code, now provides for the protection of all disability compensation evaluations that have been continuously in effect for twenty or more years; and

WHEREAS, Permanency should be conceded for disability compensation ratings which have been in effect for ten years without change in evaluation with no further examination scheduled; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend 38 USC 110, to provide that any disability which has been continuously rated at or above any evaluation for ten or more years for compensation purposes under laws administered by the Veterans Administration shall not thereafter be rated at less than such evaluation, except upon a showing that such rating was based on fraud.

Resolution No. 118 (Kentucky) — "Sponsor And Support Legislation To Amend Section 411, 38 USC, To Increase The Monthly Rates Of Dependency And Indemnity Compensation"

WHEREAS, The Servicemen's and Veterans Survivors Benefits Act, effective January 1, 1957, established the dependency and indemnity compensation (DIC) program for those widows and children of servicemen and veterans who die of service-connected causes; and

WHEREAS, This Act, as amended, established a grade related system of monthly DIC payments to eligible survivors; and

WHEREAS, As now provided under authorizing legislation, the Congress, from time to time, must enact legislation to provide cost-of-living increases for those widows and children receiving, or who may become eligible to receive, DIC payments; and

WHEREAS, The cost-of-living has continued to show an average annual increase of over 7 percent, and the projections in the Index indicate a growth in excess of 7 percent in the coming year; and

WHEREAS, The American Legion believes that to maintain the purchasing power of these widows and children, or those entitled to receive these monthly benefits, the rates payable must be increased; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend section 411 of title 38, United States Code, to increase the monthly rates of dependency and indemnity compensation.

Consolidated with this resolution are: **Resolution Nos. 219** (Ohio) and **225** (Ohio).

Resolution No. 171 (Kansas) — "Sponsor and support legislation to amend section 3203, 38 USC, so as to increase the amount of pension payable to a hospitalized veteran under this section from $50 to $65 per month"

WHEREAS, 38, USC 3203 provides where any veteran having neither wife nor child is being furnished hospital treatment, institutional, or domiciliary care by the Veterans Administration, no pension in excess of $50 per month shall be paid to or for the veteran for any period after (A) the end of the second full calendar month following the month of admission for treatment or care within six months following termination of a period of treatment or care of not less than two calendar months; and

WHEREAS, Since the enactment of PL 93-177, which increased the rates payable under section 3203 of this title from $30 to $50 per month, the maximum pension payments to single veterans as provided by PL 86-211, as amended, have been increased in excess of thirty-five percent because of the continued increase in living costs; and

WHEREAS, The American Legion recognizes that a hospitalized or domiciled veteran has also experienced the same or similar increases in his living expenses which are not covered in his hospital benefits; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall sponsor and support legislation to amend section 3203, title 38, United States Code, so as to increase the amount of pension payable to a hospitalized veteran under this section from $50 to $65 per month.

Resolution No. 189 (Wisconsin) "Increase Veterans Administration Burial Allowance"

WHEREAS, The Veterans Administration's present allowance for funeral expenses to families of deceased veterans is only $250.00; and

WHEREAS, Funeral expenses have increased considerably since the increase from $150.00 to $250.00 was authorized by the Congress of the United States; and

WHEREAS, Many families of veterans are in poor financial circumstances, having little or no means to provide a decent and respectable funeral for the veterans to which they are justly entitled; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, that The American Legion sponsor and support legislation to increase the burial allowance for veterans to $400.00 plus the $150.00 plot allowance.

Resolution No. 193 (Wisconsin) — "Sponsor and Support Legislation to Amend 38 USC 312(c) (2), Pertaining to Certain Diseases and Disabilities of Prisoners of War"

WHEREAS, The follow-up study of World War II and Korean prisoners covering morbidity, disability and maladjustments was completed in August 1974; and

WHEREAS, This study revealed some significantly higher standards compared to controls in the hospitals admission rates for Pacific POW's covering the first years following repatriation; and

WHEREAS, Between 1946 and 1949 the admission rate for psychoneurotic disorders was 36.7% and increased to 37.8% between 1962 and 1965; and

WHEREAS, This report also reveals a significant number of hospital admissions between 1946 and 1949 for chronic constitutional diseases such as circulatory diseases of 9.3%; 15.4% between 1950 and 1953, and 22% between 1962 and 1965. Respiratory diseases between 1946 and 1949 revealed a hospital rate of 31.6%. This subsequently reduced to 14.7% between 1962 and 1965. Intestinal, peritoneum, liver, etc., were 12% from 1946 to 1949, reducing to 5.8% between 1962 and 1965. Genitourinary diseases ranged 8.9% between 1946 and 1949 and continued at approximately the same rate through 1965. Skin and cellular tissues ranged 15.8% between 1946 and 1949. Bones and organs of movement ranged at 14.7% between 1946 and 1949; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orléans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation in the Congress of the United States to amend 38 USC 312(c) (2) to read as follows: "Psychosis or psychoneurosis which became manifest to a degree of 10 per centum or more within 7 years from date of separation from service; and, be it further

RESOLVED, That 38 USC 312(c) (2) be further amended by adding a new subsection to read as follows: "(3) Any chronic constitutional disease becoming manifest to a degree of 10 per centum or more within 5 years from the date of separation from service."

Resolution No. 220 (Ohio) — "Sponsor and Support Legislation to Amend Title 38, United States Code, so as to Provide a Special Pension Program for Veterans of World War I"

WHEREAS, The average age of the veterans of World War I approximates 83 years; and

WHEREAS, The number of living World War I veterans is now less than 700,000 of an original number of 4,750,000 who served; and

WHEREAS, The surviving veterans of World War I are no longer employable, and in many instances are subsisting at or below the poverty level; and

WHEREAS, Through the years since November 11, 1918, these veterans have worked unremittingly to develop the comprehensive program of veterans benefits that is now provided for all American war veterans; and

WHEREAS, The veterans of World War I did not have the advantage of any of the readjustment programs provided for veterans of later wars; and

WHEREAS, The Government of the United States and the American people have a direct obligation to insure that all of the veterans of World War I are not forgotten in their later years; and

WHEREAS, The veterans of World War I are deserving of a special measure of attention because they have not received all benefits provided for veterans of other wars, and many of them live in a condition of economic deprivation; and

WHEREAS, The most efficacious and propitious way for the nation to fulfill its obligation to World War I veterans is to insure them an adequate monthly income; and

WHEREAS, The American Legion, which was founded by veterans of World War I, has a special obligation to look to their needs; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall sponsor and support legislation to amend chapter 15 of title 38, United States Code, by adding a new section entitled "Veterans of World War I" and which will provide as follows -

a) The Administrator of Veterans Affairs shall pay to each veteran of World War I, who meets the service requirements of this section, pension at the rate prescribed by this section.

b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse), and has no child and such veteran's annual income does not exceed $8000, pension shall be paid the veteran at the monthly rate of $150.

c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, and such veteran's annual income does not exceed $10,000 pension shall be paid the veteran at the monthly rate of $150.

d) The pension provided for by this section shall be paid without regard to (1) any income of any kind payable to the spouse, and (2) the corpus of estate of the veteran or the spouse.

e) In determining annual income for the purpose of this section, all payments of any kind or from any source shall be included except those presently excluded under the existing provisions of section 503 of this title.

f) Any veteran who is eligible for pension under section 521 or any other section of this title shall, if he/she elects, be paid such pension. If pension is paid pursuant to such an election, the election shall be irrevocable.

g) For the purpose of this section, the term World War I means the period beginning on April 6, 1917 and ending on November 11, 1918.

h) A veteran meets the service requirements of this section if such veteran served in the active military, naval, or air service -

1) for ninety days or more during World War I;

2) during World War I and was discharged or released from such service for a service-connected disability;

3) for a period of ninety consecutive days or more and such period began or ended during World War I; and

4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war.

Consolidated with this resolution are: **Res. Nos. 83** (Mass.), **149** (Minn.), **174** (Kans.), **187** (Penn.), **190** (Wisc.), **268** (Ill.), **326** (W. Va.), **356** (Okla.), **420** (Tex.), **426** (S. C.); **466** (D.C.), and **492** (Hawaii)

Resolution No. 224 (Ohio) — "Urge Legislation to Improve the Dependency and Indemnity Program for Dependent Parents"

WHEREAS, Dependency and indemnity compensation for dependent parents is a monthly payment made by the Veterans Administration because of a service-connected death; and

WHEREAS, The present provisions of the dependency and indemnity compensation program, as set out in 38 USC 415, do not permit a total pass-through of cost-of-living increases granted social security beneficiaries, or to those on an annuity, or receiving retired pay; and

WHEREAS, The current DIC dependent parent benefit program contains inconsistencies which cannot be corrected unless the entire framework of annual income determinations and rates of payment is restructured now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend section 415 of title 38, United States Code, as follows:

1. (a) If there is only one parent, dependency and indemnity compensation shall be paid monthly at the annual rate of $3100, reduced by the amount of the parent's annual income.

(b) If there are two parents, but they are not living together, dependency and indemnity compensation shall be paid monthly to each such parent at the annual rate of $3100, reduced in the case of each such parent by the amount of such parent's annual income.

(c) If there are two parents who are living together, dependency and indemnity compensation shall be paid monthly to such parents at the annual rate of $4400, reduced by the amount of their annual income.

(d) If there are two parents and both have remarried and are living with their respective spouses, dependency and indemnity compensation shall be paid monthly to each such parent at the annual rate of $4400, reduced by the amount of the annual income of such parent.

(e) In determining annual income under this section, all payments of any kind or from any source shall be included, except -

(A) payments of the six month's death gratuity;

(B) payments under section 415 and Chapters 11 and 15 of title 38, United States Code;

(C) lump sum death payments under the provisions of the Social Security Act;

(D) payments of a bonus or similar gratuity by a State based on service in the Armed Forces;

(E) payments under policies of Government Life insurance policies;

(F) amounts equal to amounts paid by a parent of a deceased veteran for -

1) a deceased spouse's just debts,

2) the expenses of the spouse's last illness to the extent such expenses are not reimbursed under 38 USC, Chapters 23 and 51;

(G) proceeds of fire insurance;

(H) amounts equal to amounts paid by a parent of a deceased veteran for -

1) the expenses of the veteran's last illness and,

2) the expenses of such veteran's burial to the extent that such expenses are not reimbursed under 38 USC, Chapter 23;

(I) profit realized from the disposition of real or personal property other than in the course of business;

(J) payments received for discharge of jury duty or obligatory civic duties;

(K) payments of annuities elected under subchapter I of Chapter 73 of title 10, United States Code; and

(L) amounts equal to amounts paid by a spouse for unreimbursed medical expenses which exceed 5 percent of the maximum annual rate of income authorized under section 415 for any such spouse.

Resolution No. 325 (Virginia) — "Sponsor and Support Legislation to Amend Section 314, 38 USC, to Increase the Monthly Rates of Disability Compensation"

WHEREAS, Disability compensation is a monthly payment made by the Veterans Administration to a veteran because of a service-connected disability; and

WHEREAS, These disability compensation payments are based on a schedule of ratings of reductions in earning capacity from specific injuries or combinations of injuries adopted by the Administrator of Veterans Affairs; and

WHEREAS, In response to increased cost-of-living and other factors, the weekly take home pay of the blue collar worker in non-agriculture employment is constantly increasing; and

WHEREAS, To maintain the purchasing power of these disabled veterans, or those entitled to receive these monthly benefits, the rates payable must respond to cost-of-living increases; and

WHEREAS, A look at the trend of the Consumer Price Index will show an average annual increase of well over 7 percent, and that projections in the Index indicate a growth in excess of 7 percent in the coming year; and

WHEREAS, It is the opinion of The American Legion that there is no way to adequately compensate a veteran for loss of ability to be a working, productive member of our society, and that the monthly rates of disability compensation do not adequately compensate these disabled veterans for their loss due to reduced earning capacity; and

WHEREAS, The American Legion believes a further readjustment in the amount of disability compensation rates is needed so that these veterans can fulfill their fundamental purpose, that is, to assure that they have sufficient economic maintenance; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend section 314 of title 38, United States Code, to increase the monthly rates of disability compensation.

Consolidated with this resolution are: **Res. Nos. 150** (Minn.), and **409** (D.C.).

Resolution No. 442 (Iowa) — "Sponsor and Support Legislation to Amend Chapter 15, Title 38, United States Code, as it Pertains to the Veterans Pension Program"

WHEREAS, The pension program established by the Congress of the United States for veterans of World War I, World War II, the Korean and Vietnam Wars, and for their surviving spouses and children is a program designed to help relieve or prevent need which is or presumed to be due to permanent and total disability associated with unemployability, or that which follows the death of the primary means of family support - the veteran spouse; and

WHEREAS, The income and net worth test established by the Congress for pension was intended to be more liberal than those established for state welfare benefits; and

WHEREAS, After somewhat extensive study by the Veterans Administration and the Congress, Public Law 86-211, effective July 1, 1960, enacted reforms which are, substantially the pension program encompassed by current law; and

WHEREAS, The American Legion believes that veterans and their dependent survivors should have the full measure of any social security or other retirement increase without suffering reductions in their pension income maintenance payments; and

WHEREAS, The needs of war veterans and their survivors are more and more demanding of their limited incomes because of the continuing rise in the cost of food, housing, clothing, transportation, medical services, and other essentials; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion hereby continues to sponsor and support legislation to accomplish the following amendments to Chapter 15, title 38, United States Code:

1. (a) Amend section 521(b) to provide as follows: "If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse) and has no child, pension shall be paid monthly at the annual rate of $3800 reduced by the amount of the veteran's income."

(b) Amend section 521(c) to provide as follows: "If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child, pension shall be paid monthly at the annual rate of $5200. If the veteran has two or more such dependents, the annual rate shall be increased by $264 for each such dependent in excess of one. The rate payable shall be reduced by the amount of the veteran's income."

(c) Add a new subsection 521(h), so as to provide: "That veterans 78 years of age or older who are otherwise entitled under section 521(b) or (c), pension shall be paid monthly at the annual rate of $4160 under section 521(b), and at the annual rate of $5920 under section 521(c). The rates payable shall be reduced by the amount of the veteran's annual income."

(d) Amend section 541(b) to provide as follows: "If there is a surviving spouse with no child, pension shall be paid monthly at the annual rate of $3100 reduced by the amount of the surviving spouse's annual income."

(e) Amend section 541(c) to provide as follows: "If there is a surviving spouse and one child, pension shall be paid monthly at the annual rate of $4400. If the surviving spouse has two or more children, the annual rate shall be increased by $264 for each child in excess of one. The rate payable shall be reduced by the amount of the surviving spouse's annual income."

(f) Amend section 542 to provide as follows: "Whenever there is no surviving spouse entitled to pension under section 541, pension shall be paid monthly to each child at the annual rate of $3100. The rate payable shall be reduced by the amount of the child's annual income."

2. Amend section 521(f) (1) to provide: "For the purpose of section 521, in determining annual income, where a veteran is living with such veteran's spouse, all income of the spouse which is reasonably available to or for the veteran in excess of whichever is the greater, $2200 of unearned income, or $7200 of the earned income of the spouse shall be considered as the income of the veteran."

3. Section 503 is amended to provide: "In determining annual income, all payments of any kind or from any source shall be included except -

"(1) amounts equal to amounts paid by a spouse of a veteran for the expenses of the veteran's last illness, and by a surviving spouse or child of a deceased veteran for —

"(a) the veteran's just debts,

"(b) the expenses of the veteran's last illness; and

"(c) the expenses of the veteran's burial to the extend such expenses are not reimbursed under Chapter 23 of this title;

"(2) amounts equal to amounts paid -

"(a) by a veteran for the last illness and burial of such veteran's deceased spouse, or child, or

"(b) by a surviving spouse or wife of a veteran for the last illness and burial of a child of such veteran;

"(3) proceeds of fire insurance policies;

"(4) amounts in joint accounts in banks and similar institutions acquired by reason of death or other joint owner;

"(5) amounts equal to amounts paid by a veteran, surviving spouse or child, for unreimbursed medical expenses for persons prescribed by regulation which exceed 5 per centum of the maximum annual rate of income authorized under this chapter for any such person."

4. Amend section 522 to provide: "The Administrator of Veterans Affairs shall deny or discontinue payment of pension under section 521 when the corpus of the estate of the veteran, or of the veteran and such veteran's spouse, is such that under all the circumstances, including consideration of the veteran's income, it is reasonable that some part of the corpus be consumed for the veteran's maintenance."

5. Add a new section to provide: "The rates payable under sections 521, 541 and 542, shall be increased by such percentage as the Administrator of Veterans Affairs shall certify in the Federal Register as a cost-of-living increase in accordance with the purpose of section 215 of the Social Security Act, as amended, effective the first day of the month of such determination."

6. Amend 38 USC, Chapter 15 to provide that nothing in the foregoing amendment shall affect the eligibility of any person receiving pensions under Chapter 15 of title 38, United States Code, on the effective date of such amendments for pension under all applicable provisions of that chapter in effect on that date for such period or periods thereafter with respect that the veternn can qualify under such provisions.

7. Amend 38 USC, Chapter 15 to provide that those who continue to receive pension under the foregoing savings provision shall receive the percentage cost-of-living as determined by the Administrator of Veterans Affairs as proposed in item 5 of this resolution.

Consolidated with this resolution are: **Res. Nos. 40** (Nebr.), **144** (Minn.), **206** (N.Y.), **209** (N.Y.), **228** (Ohio), **269** (Ill.), and **465** (D.C.).

Resolution No. 485 (North Carolina) — "Sponsor and Support Legislation to Amend 38 USC, 3104, so as to Remove the Restriction Against the Receipt of Armed Forces Retirement Pay, Due to Length of Service, Concurrently with VA Compensation"

WHEREAS, 38 USC 3104, prohibits the payment of retirement pay from the Armed Forces concurrently with VA compensation or pension; and

WHEREAS, Civil Service employees, as well as members of Congress, who retire on longevity may receive their retirement annuity with VA compensation; and

WHEREAS, Armed Forces retirement pay and Civil Service annuity (longevity) is based on duties performed and length of service; and

WHEREAS, The American Legion believes that it is inequitable to authorize one group of Federal employees to receive both VA compensation and retirement pay, and prohibit another group from receiving both; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to amend 38 USC 3104, so as to remove the restriction against the receipt of Armed Forces retirement pay, due to length of service, concurrently with VA compensation.

Consolidated with this resolution is: **Res. No. 78** (Mass.).

Resolution No. 519 (Convention Committee) — "Oppose Enactment of the Special Provision of HR 10173 as Amended and Passed by the U.S. Senate Which Prohibits Payment of Benefits Under the Veterans and Survivors Pension Improvement Act to Veterans and Their Dependents Residing Outside the Fifty States and the District of Columbia"

WHEREAS, The pension program established by the Congress of the United States for veterans of World War I, World War II, the Korean and Vietnam Wars, and for their surviving spouses and children, is a needs program designed to help, relieve or present need which is or presumed to be due to permanent and total disability associated with unemployability; and

WHEREAS, The House of Representatives recently approved HR 10173, the Veterans and Survivors Pension Reform Act of 1978 . . . dramatically increasing the maximum annual rates for VA nonservice-connected disability and death pension; and

WHEREAS, HR 10173, as amended and passed by the United States Senate, now provides that improved pension benefits provided under this Act may not be paid to any person residing outside the fifty States and the District of Columbia; and

WHEREAS, Approximately 34,000 war veterans of our Armed Forces receiving pension benefits from the Veterans Administration are residing outside the fifty States and the District of Columbia (26,500 in Guam and Puerto Rico); and

WHEREAS, The American Legion believes that residence outside the fifty States and the District of Columbia should not be considered in determining entitlement to pension benefits based on honorable service in the Nation's Armed Forces during wartime; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall oppose the enactment of that provision of HR 10173, or any other legislation which would impose a limitation on payments of death and disability pension by reason of residence outside the fifty States and the District of Columbia.

Insurance

Resolution No. 226 (Ohio) — "Support Legislation to Amend 38 USC, Chapter 19, so as to Provide a Special Government Life Insurance Program for Vietnam Era Veterans"

WHEREAS, The American Legion has approved, in principle, that veterans of the Vietnam Era be provided with a program of benefits comparable to that provided veterans of World Wars I, II, and the Korean Conflict; and

WHEREAS, Veterans of World Wars I, II, and the Korean Conflict were provided with a program of low-cost Government Life insurance under the administration of the Administrator of Veterans Affairs; and

WHEREAS, The American Legion recognizes that the Vietnam Era veteran who leaves active duty in good health does not benefit from either the Servicemen's Group Life insurance or Veterans' Group Life insurance programs presently authorized; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation to amend 38 USC, Chapter 19, so as to provide a special Government Life Insurance program for Vietnam Era veterans.

Resolution No. 265 (Illinois) — "Support legislation to reopen for a 1-year period the right of certain war veterans to apply for contracts of National Service Life Insurance"

WHEREAS, Public Law 88-664 provided a limited period for acquiring insurance for some veterans heretofore eligible to apply for National Service Life Insurance after October 7, 1940, and before January 1, 1957; and

WHEREAS, The limited reopening provisions of Public Law 88-664 did not satisfy the long-standing consensus of The American Legion that all veterans of World War II and of the Korean Conflict heretofore eligible to apply for contracts of National Service Life Insurance should have a one-year period in which to reapply; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall support legislation to reopen for a one-year period the right to apply for National Service Life Insurance for those insurable and service-disabled veterans of service between the inclusive dates of December 7, 1941 and September 2, 1945, and of June 27, 1950 and July 27, 1953 under policies providing for a premium charge which will include administrative costs.

Resolution No. 61 — "National Cemetery Legislation"

WHEREAS, The National Organization of the American Legion has not seen fit to establish a top priority, the establishment of a National Cemetery in every state; and,

WHEREAS, The National Organization of The American Legion has had a mandate for many years for the Establishment of at least one cemetery in every state; and,

WHEREAS, Arizona and twelve other states are currently without benefit of a National Cemetery in which to bury their honored dead; and,

WHEREAS, The Veterans Administration has adopted a regional concept for the establishment of National Cemeteries thereby virtually denying even the future possibility of a National Cemetery for each state because they are on a population basis; and,

WHEREAS, Burial in a National Cemetery is a Federal Veterans Benefit granted by the Congress and should be available to all veterans and their survivors on an equitable basis; and,

WHEREAS, The survivors of veterans in those states without benefit of a National Cemetery are exposed to undue financial hardship, and denied the privilege of visitation to the final resting place of their loved ones; and,

WHEREAS, The regional concept of National Cemeteries as adopted by the Veterans Administration constitutes the rankest form of discrimination in the granting of a Federal Benefit against those veterans residing in states a National Cemetery; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the National Organization to establish as a top Legislative priority of The American Legion the establishment of at least one National Cemetery in every state, and that the National Organization of The American Legion does unalterably oppose the concept of Regional National Cemeteries until such time as each and every state has at least one National Cemetery, and further that they inform the Veterans Administration of their opposition to this discrimination on a Federal Benefit which is just as important as Regional office of a Veterans Administration Hospital.

Received and Recorded

Policy

Resolution No. 152 (Utah) — Urges action to include a veteran population section in the 1980 census. (Already covered by existing mandate).

Resolution No. 438 (Colorado) — Urges action to include a veteran population section in the 1980 census. (Already covered by existing mandate).

Referred Resolutions

Policy

Resolution No. 185 (Pennsylvania) — Seeks a ruling by the Veterans Administration on the furnishing of a list of veterans rated as having service-connected disabilities to service organizations.

Resolution No. 505 (Puerto Rico) — Urges action as would require a strict investigation of those students engaged in medical training at the VA hospital in Puerto Rico.

National Cemeteries

Resolution No. 32 (New Mexico) — Urges the Veterans Administration to take appropriate action as would provide adequate space in the future for burials in the Santa Fe National Cemetery in New Mexico.

Resolution No. 270 (Illinois) — Urges the Veterans Administration to obtain land at Fort Sheridan, Illinois, for use as a National Cemetery.

Resolution No. 271 (Illinois) — Urges the Congress to set aside a certain portion of the land at Fort Sheridan, Illinois, for a National Cemetery.

Resolution No. 358 (New York) — Urges the Veterans Administration to retain in appropriate records all applications for headstones or markers.

Resolution No. 422 (Texas) — Urges the Veterans Administration to make such personnel available at National Cemeteries on weekends and holidays for the purpose of authorizing burial arrangements.

Medical and Hospital

Resolution No. 324 (Virginia) — Enact legislation that will insure the provision of nursing home care for female veterans on an equal basis with that provided male veterans.

Resolution No. 437 (Colorado) — Urges the Veterans Administration to provide for a full-time chaplain at the VAH, Grand Junction, Colorado, and to establish full-time chaplains at all VA hospitals.

VA Hospitals

Resolution No. 39 (Nebraska) — Urges action to air condition the VA hospital, Grand Island, Nebraska.

Resolution No. 93 (Tennessee) — Urges the Veterans Administration to obtain a land area sufficient for utilization as parking for visitors at the VAH, Nashville, Tennessee.

Resolution No. 272 (Illinois) — Urges that a series of nursing home care facilities be planned by the VA to take care of projected needs, and that the Congress provide necessary funds to carry out this program.

Resolution No. 273 (Illinois) — Urges that a series of nursing home care facilities be planned by the VA to take care of projected needs, and that the Congress provide necessary funds to carry out this program.

Claims and Rating

Resolution No. 312 (Virginia) — Urges the VA to provide a full and detailed explanation of all stuffers sent to beneficiaries, and to provide a supply to each service organization.

Resolution No. 436 (Colorado) — Sponsor and support legislation to provide a seven year presumption for syringomyelia.

Vocational Rehabilitation and Education

Resolution No. 369 (Washington) — Seeks legislation to provide guidelines and grant authority to the VA to fix the conditions under which it will not allot educational assistance benefits.

REJECTED RESOLUTIONS

Policy

Resolution No. 211 (New York) — Support legislation to provide for chiropractic care for eligible veterans.

Resolution No. 227 (Ohio) — Seeks legislation to provide mustering-out pay for Vietnam Era veterans.

Resolution No. 267 (Illinois) — Urges the VA and the Department of Labor to establish a joint Licensed Practical Nurse (LPN) Program to reduce the nurse shortage in VA hospitals.

Resolution No. 441 (Iowa) — Sponsor and support legislation so as to amend title XIX of the Social Security Act which would be more beneficial to veterans and their dependents.

Resolution No. 496 (France) — Support legislation as would extend Medicare benefits for qualified persons who are visiting or residing outside the United States.

Resolution No. 503 (Illinois) — Seeks legislation to provide that the maximum number of recognizable military service of five years be granted discharged veterans, thereby reducing the age requirement to qualify for social security benefits.

National Cemeteries

Resolution No. 501 (Georgia) — Support legislation which would provide for the election of a standard Government grave marker or an allowance in lieu of such marker not to exceed $100.

Medical and Hospital

Resolution No. 125 (Michigan) — Support legislation as would require the Administrator of Veterans Affairs to pay 50 percent of the cost for each veteran receiving domiciliary, nursing or hospital care in State Homes.

Resolution No. 160 (Vermont) — Seeks legislation to provide that veterans 80 years of age or older shall have the right to obtain medical care at a hospital or nursing home of his choice at VA expense.

Claims and Rating

Resolution No. 11 (Philippine Islands) — Urges legislation to repeal 38 USC 107 so that benefits available only to United States veterans will also apply to Filipino veterans and their dependents.

Resolution No. 12 (Philippine Islands) — Urges legislation to provide that payments being paid to Filipino veterans and their dependents permanently residing in the United States be made at the full dollar rate.

Resolution No. 41 (Nebraska) — Sponsor and support legislation to provide special adapted housing for a veteran who has suffered loss or loss of use of both upper extremities.

Resolution No. 79 (Massachusetts) — Urges a change in the VA Rating Schedule pertaining to ratings for all postoperative malignancies, so as to provide a minimum 10 percent rating for five years.

Resolution No. 223 (Ohio) — Urges action to provide that $20 of any pension received from the VA will not be included in determining a payment of Supplemental Security Income.

Resolution No. 322 (Virginia) — Urges legislation to provide a three month trial period of employment during which time income and disability will be exempt from consideration of entitlement to pension payments.

Vocational Rehabilitation and Education

Resolution No. 222 (Ohio) — Sponsor and support legislation so as to broaden the definition of an eligible person to receive educational assistance benefits under chapter 35, Title 38, United States Code (Survivors' and Dependents' Educational Assistance).

Resolution No. 439 (Colorado) — Seeks legislation so as to extend the time limitation for Vietnam veterans to complete educational benefits for a period of fifteen years after separation from service.

The report was adopted.

PRESENTATION

By: National Commander Smith
To: Dr. Rosalyn Yalow
Nobel Prize Winner

This year the wisdom of our founding fathers in their efforts to establish an agency of Federal government to deal with total needs of America's veterans was once again proven correct, when two medical researchers, employed by the Veterans Administration, were awarded the highest honor the world can bestow upon them, the Nobel Prize.

We are faced today with efforts by the Administration to downgrade the role of medical research within the Hospital Medical System of the Veterans Administration.

We are faced with efforts by this Administration to eliminate the Veterans Administration Hospital Medical System in favor of National Health Insurance and community medical centers where the identity of the veteran who served his or her nation during wartime will be lost. That is why The American Legion believes the bestowal of this award is so significant, because it represents one of the few times it has been presented to scientists employed by the U.S. government.

The achievements of Rosalyn Yalow and Andrew Schally, for which they were honored by the Nobel Committee, will be of value to all mankind. The basic research they have conducted has led and will lead to striking advances in coping with a variety of illnesses and abnormalities that have resisted efforts to solve in the past. It is with a distinct feeling of humility then that I present this special award to Dr. Rosalyn Yalow, Senior Medical Investigator, Brooklyn, New York, Veterans Administration Hospital, and Distinguished Service Professor Medicine, Mt. Sinai School of Medicine of the City University of New York. York.

"Citation of commendation to Rosalyn S. Yalow, Ph.D., Senior Medical Investigator, Veterans Administration. The American Legion commends and congratulates Dr. Rosalyn S. Yalow on her receipt of the 1977 Nobel Prize for medicine. Dr. Yalow's significant achievements in research in her chosen field have benefited humanity and brought great prestige to the Veterans Administration and the United States of America. Those achievements are a testimonial to the value of the Veterans Administration Medical Care Program for veterans as a great national resource. Presented during the 60th Annual National Convention of The American Legion, New Orleans, Louisiana, August 23, 1978," signed by the National Adjutant and with my signature as National Commander.

DR. ROSALYN YALOW: As Ms. Zucherman, in her book, The Scientific Relief, has said, that on the average, 23 organizations and groups claim each Nobel winner. I think I have been claimed by many more than that. But, those of you who know me, recognize that the first claim on my attention, my love, my efforts have been for the Veterans Administration.

I came in to the VA 31 years ago at a time of dramatic growth. I remember General Bradley, Hawley, Dr. Magnuson, who within a two-year period, converted a second-class nursing home type situation into a first-class program for health care delivery, a first-class hospital system.

In a sense, for almost a ten-year period, the VA Hospital system exceeded that of the private sector. I regret to say that gradually people have lost interest in the VA Hospital system, and I doubt very much if we can continue to claim the first-class position that we did some ten or 15 years ago.

The Veterans Administration Hospital system needs a shakeup to turn it into a VA system for health care delivery. As we listen to the reports of the National Academy of Science, that suggests the phasing out of the VA into the National Health Insurance, we recognize that the unique position that the veterans have served may well change if they do not turn their attention to the problems of the more generalized health care delivery system.

In speaking to Mr. Clellan, the current Administrator, I recognize that once again we have an Administrator who is concerned with the problems of health care delivery to the veterans. I think that the veterans system must be expanded — I am speaking for myself, not for the VA — it must be expanded for total health care delivery to the veterans. We must stop thinking only in terms of hospitals, we must think of outpatients and we must consider also whether or not the dependents should be included to make this a total system for the veteran and to abort the possibility of delivering it into a possible but not yet defined national health insurance.

What has been my rule in the VA over the 30 years? I think that in order to deliver health care, it must be coupled with research and education, and my own program has been continuously concerned with the integrated effort of research and education so that the things we learned are first brought to the improvement of the health care of our veteran population. I am not a physician, I am a Ph.D., but I have had the honor and privilege for many years now of running and being responsible for the Clinical Nuclear Medicine Program of our hospital. I believe scientists are concerned with the health of veterans for most as well as the health of all our people.

I believe in upgraded Veterans Administration health care delivery programs; they can serve as the model for the effective, efficient, government intervention into medicine.

I think using this as a model represents the research function as fundamental as the basic research done in our laboratory.

I remember well 31 years ago, it was The American Legion and other veterans groups who led the way in supporting the resurgence of the Veterans Administration health care delivery system. I am here from a very busy schedule, because I think The American Legion once again must exert a dynamic role and expand the functions of the Veterans Administration. Health care delivery services is not simply hospitalization, it is the service so that we can very well serve the needs of the millions of veterans and their dependents who will continue to need this type of medical care treatment.

I am pleased to be here with you. I think it is very unique that a veterans group which still contains relatively few women among their direct members, recognizes the work of a scientist who has devoted 30-some odd years to the VA, and who, incidentally, happens to be a woman.

NATIONAL COMMANDER SMITH: Dr. Yalow, The American Legion appreciates your work. We appreciate the award which has been made to you by the Nobel Committee, and we are committed to continue to ask for adequate funds for research in the medical system.

Due to prior commitments, Dr. Schally of the New Orleans VA Hospital and a Professor of Medicine at Tulane University School of Medicine is not able to be with us today. However, arrangements have been made to make the presentation to him when he returns to this Country.

PRESENTATION

Employer of the Year Awards for Hiring Veterans

By: National Commander Smith
To: Blackmon Oil Company, Columbus, Georgia
Accepted by: George Ertel, General Manager

To: Dolese Company, Oklahoma City, Oklahoma
Accepted by: W. T. "Bill" Johnson, Director of Safety and Employee Relations

One of the important matters which concerns The American Legion is that of adequate employment for all veterans, as well as for the citizenry of this Nation.

Particularly do we support increased employment of the veterans of our Country.

As you well know, the unemployment rate for all Americans remains too high, but for the veterans of Vietnam, it is even higher — nearly three times the rate of the general population, and that is why The American Legion decided nine years ago to begin honoring from our Convention platform the outstanding efforts of two American companies for their brilliant records of hiring veterans.

As you are well aware, The American Legion's Jobs for Vets Program was the first to alleviate the acute unemployment situation of returning Vietnam veterans.

Whatever success the Legion has had in this continuing program would not have been possible without the solid support of both the public and private sectors in providing meaningful lasting employment for American veterans.

There are two categories of judging used in the selection of Employer Of The Year Awards by the National Economic Commission; firms with less than 200 employees, and firms of 200 employees or more. In the larger employer category, our winner, the Dolese Company of Oklahoma City, Oklahoma, has made a consistent effort to hire veterans in past years. By listing position openings with the State Employment Service, and specifying veterans preference, all openings last year were filled by veterans, and 80% were Vietnam Era veterans.

The small Employer Of The Year, Blackmon Oil Company of Columbus, Georgia, also requests to interview veterans when job openings are listed with the State Employment Service. Last year, five of the six openings were filled by veterans, and of the total of 14 employees, 12 are veterans. Over the past ten years 83% of all new hires have been veterans and 25% of all veterans hired became disabled during military service.

Accepting the award for the Dolese Company is the Director of Safety and Employee Relations, W. T. "Bill" Johnson.

MR. W. T. JOHNSON: It is indeed a pleasure to receive an outstanding award as you have bestowed on us, Commander.

It brings to mind a little poem that I would like to share with you, because of the tremendous unexpected happiness that this award gives me. Let me read this to you:

"I dreamt God came the other night, and Heaven's gates swung wide with kindly grace. An angel ushered me inside and there to my astonishment, stood folks I had known on earth whom I judged and labeled as unfit, of little worth.

"Angry words came to my lips, but never were set free, for every face showed stunned surprise, not one expected me."

NATIONAL COMMANDER SMITH: Accepting the award for the Blackmon Oil Company is its General Manager, Mr. George Ertel.

MR. GEORGE ERTEL: It gives me great pleasure to represent the Blackmon Oil Company from Columbus, Georgia, in accepting this wonderful award.

It reaches me very deeply, being a veteran and retired military myself. I would like to pass on that anyone that has any business, if he wants a good honest hardworking employee, I can highly recommend all of our veterans.

Thank you each and every one, and God bless you.

NATIONAL COMMANDER SMITH: The Chair now recognizes Mr. Al Keller of Illinois, Chairman of the Economic Committee, for the purpose of making a report.

REPORT OF CONVENTION COMMITTEE ON ECONOMICS

Al Keller (Illinois) Chairman

Eighty-one (81) members of the Committee on Economics met at 10:00 a.m., August 20, in the Dauphine Room of the Hyatt Regency Hotel, and again on August 22 at 10:00 a.m. in the Economic cubicle, National Headquarters office, and agreed upon the following report which is respectfully submitted for your consideration.

The Committee was organized by the Staff Director for Economics, who served as Temporary Chairman. Al Keller

(IL), Chairman, National Economic Commission, was unanimously elected Chairman, and Bernard Blink (IA) was elected Secretary of the Convention Economic Committee.

Your Convention Economic Committee was divided in two parts: Employment and Veterans Preference, and Other Economic Matters. A. B. Fennell (SC), Chairman, National Veterans Preference Committee, was elected Secretary. Joseph Holzka (NY), Vice Chairman, National Economic Commission, was elected Chairman of the Committee on Other Economic Matters, and Bonnie Blanton (FL) was elected Secretary.

Eighty-two (82) resolutions were considered by your Committee, together with reports of the Standing National Economic Commission, Employment and Veterans Preference Committees.

In response to a call from the National Adjutant, the Economic Screening Committee met in Suite 1129 of the Hyatt Regency Hotel on Thursday, August 17, 1978. The Screening Committee was composed of members of the Economic Commission and affiliated Committees, and are as follows: Al Keller, Jr. (IL); Joseph Holzka (NY); A. B. Fennell (SC); Merrick W. Swords, Jr. (LA); and Walter M. Rapp (OK).

A report of the Screening Committee's analysis with recommendations was presented to the Convention Committee for consideration.

The fine work performed by the Economic Screening Committee in analyzing and grouping the resolutions was of great assistance to the Convention Committee and is greatly appreciated. This Committee recommends that an Economic Screening Committee be appointed to serve the Sixty-first Annual National Convention Committee on Economics.

In considering resolutions presented, the Committee took the position that the subject matter should be germane to veterans. It was the desire of the Committee to avoid putting The American Legion on record in fields unrelated to veterans affairs.

Seventy-nine (79) Economic resolutions presented for consideration of this Convention were referred by the Resolutions Assignment Committee from twenty-eight (28) Departments, and three originated in the Economic Convention Committee.

THE FOLLOWING ACTION ON RESOLUTIONS WAS TAKEN BY THE CONVENTION COMMITTEE:

Approved, or approved as amended	25
Consolidated with Resolutions approved	51
Referred to Standing Economic Commission	5
Rejected	1

A report of the five (5) resolutions referred to the Standing Economic Commission will be reported to the National Executive Committee and to the Adjutants of the concerned Departments, and will be contained in the National Adjutant's report to the National Executive Committee.

The subject matter of the one (1) resolution recommended for rejection was determined by your Convention Committee not to be germane to The American Legion's program.

Employment and Veterans Preference

Forty-four (44) members of the Committee on Employment and Veterans Preference met in joint session with the Committee on Other Economic Matters and considered seventy-five (75) resolutions, of which seventy (70) were consolidated into twenty-two (22) resolutions, which are being submitted for approval; four (4) were referred to the Standing Economic Commission; and one (1) was recommended for rejection.

Approved Resolutions

Veterans Preference and Federal Employment

Your Committee considered nineteen (19) resolutions, all of which urged The American Legion to vigorously oppose all attempts to weaken veterans preference in Federal employment and to oppose legislation now pending in Congress to seriously modify this preference. Of these nineteen resolutions, **Resolution No. 15** (North Dakota) as amended, is the master resolution, and consolidated therewith are **Resolution Nos. 20** (New Hampshire), **35** (Nebraska), **89** (Tennessee), **108** (Kentucky), **124** (Michigan), **133** (Indiana), **140** (Minnesota), **153** (Utah), **159** (Vermont), **164** (Kansas), **281** (Virginia), **328** (Missouri), **342** (Oklahoma), **363** (Washington), **395** (Texas), **424** (South Carolina), **440** (Iowa), and **500** (District of Columbia).

Resolution No. 15 (North Dakota) — "Oppose Any Weakening Of The Veterans Preference Act Of 1944," as amended.

WHEREAS, A grateful Nation, through the Congress of the United States, has continued the long history, both in statute and in practice, of employing the returning veteran by passing the Veterans Preference Act of 1944, now codified in Title 5, United States Code; and

WHEREAS, The term "veteran" covers every category of society, including sex, region, ethnic groups, races, creeds, and national origin, united only by having served their Nation in time of war; and

WHEREAS, The Veterans Preference Act seeks to overcome the burden placed on the war veteran by his absence from the job market and which gives his peers a head start in work, and also provides an opportunity for the veterans to stay on the job when reductions in force are necessary; and

WHEREAS, This preference in Federal employment has always been life long, to be available whenever needed to the war veteran in recognition of his unique status; and

WHEREAS, Veterans in Federal employment are eminently qualified for the jobs they hold, having received at least a passing score in examinations, having no preference in promotion, and are affected in about half of all reductions in force; and

WHEREAS, Veterans preference has been an integral part of the Federal merit system, with many of its initial features extended to all other Federal employees, and is not available to those serving in the present peacetime armed services; and

WHEREAS, The Civil Service Commission has administrative authority to correct present defects in the system by simplifying its appeal system, reevaluating and restructuring its examination system, and enforcing its regulations to result in an efficient and suitable personnel system; and

WHEREAS, The Administration's proposed reorganization plan to split the United States Civil Service Commission into two agencies, with an Office of Personnel Management and a Merit Systems Protection Board, became effective August 4, 1978; and

WHEREAS, The interests of veterans will be adversely affected by this reorganization of the Civil Service Commission, since it will weaken the administration of Civil Service Laws and the Veterans Preference Act; and

WHEREAS, Legislation referred to as the Civil Service Reform Act of 1978, and now being considered by Congress, will, among other things, drastically curtail veterans preference, if enacted; and

WHEREAS, Even if veterans preference were retained in its present form there would be, in actuality, no veterans preference because of unlimited "flexibility" to be granted to the new Office of Personnel Management in hiring, along with a lack of effective safeguards in job retention provided by the Merit Systems Protection Board; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion reaffirms its traditional support of the preference in Federal employment extended by a grateful Nation, and pledges to vigorously oppose any and all attempts to weaken or reduce veterans rights and benefits in Federal employment as provided and set forth in the Veterans Preference Act of 1944, as amended; and, be it further

RESOLVED, That The American Legion oppose any and all parts of legislation now before Congress that would weaken veterans preference in Federal employment as set forth in Title 5, United States Code.

Three resolutions concern special efforts to keep the "rule of three" in the safeguards provided veterans in Federal employment. **Resolution No. 282** (Virginia) amended, is the master resolution, with **Resolution Nos. 36** (Nebraska) and **166** (Kansas) being consolidated therewith.

Resolution No. 282 (Virginia) — "Oppose Any Change In The 'Rule Of Three' For Federal Employment," as amended.

WHEREAS, The Veterans Preference Act, now codified under Title 5, United States Code, and the Civil Service rules and regulations relating thereto, provided that when an appointing officer is to fill a vacancy by appointment of persons who have qualified through Civil Service examination, he shall ask for, and the Civil Service Commission shall certify from the top of the appropriate register of eligibles, a number of names sufficient to permit the nominating or appointing officer to consider at least three names in connection with each vacancy; and

WHEREAS, The nominating or appointing officer shall make selection for each vacancy from not more than the three highest names available for appointment on such certificate of eligibles, a method known as the "rule of three;" and

WHEREAS, There is now pending in Congress legislation that expands the "rule of three" into a "rule of seven;" and

WHEREAS, An increase in the number of applicants to be submitted to appointing officers would also nullify the concept of selection from those applicants most qualified, and would increase the possibility of selection on the basis of factors irrelevant to merit; and

WHEREAS, A Reorganization Plan for the Civil Service Commission has become effective under which an Office of Personnel Management will have authority to either make regulations for referring applicants or to delegate the making of such regulations to the employing agencies, thus nullifying any rule of either three, seven, or any number; and

WHEREAS, It has been traditional American Legion philosophy that "those who were preferred to serve their Nation in the armed forces in time of war should be preferred to serve their Nation in a civilian capacity when qualified;" and

WHEREAS, In line with that philosophy, The American Legion supports the system of veterans preference, as set forth in Title 5, United States Code, as an integral part of the Federal merit system, with the result that an action that damages the merit system also weakens and might destroy the present system of veterans preference; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion strenuously oppose any expansion in the present "rule of three" system as stipulated in the Veterans Preference Act of 1944, as amended, and codified under Title 5, United States Code, and rules and regulations of the Civil Service Commission, which require the nominating or appointing officer to make selection for each vacancy from not more than the highest three names available for appointment on a certificate of eligibles.

Resolution No. 448 (District of Columbia) — "Oppose Special Emphasis Employment Program In Federal Employment," as amended.

WHEREAS, A plan, known as a Special Emphasis Employment Program, or the "Sugarman Plan," has been submitted to, and approved by, the Civil Service Commission, under which a number of Federal positions would be removed from the competitive civil service and filled noncompetitively, with the job holders to be converted to career status after a certain period of satisfactory performance; and

WHEREAS, This plan has been announced as intended to bring into Federal employment those persons now underrepresented in these jobs, especially minorities and women; and

WHEREAS, This plan violates longstanding traditions of selections based on merit, and which are mandated by the requirements of the Civil Service Laws and provisions of the Veterans Preference Act of 1944, as amended, such as the "rule of three," and would open the Federal employment process to discriminatory abuse; and

WHEREAS, In a report accompanying the 1979 Defense Department appropriation bill, the House Appropriations Committee said that, if the plan went into effect, more than 200,000 Department of Defense jobs would be "unprotected by the merit system and could conceivably be filled on the basis of discrimination because of race, sex, national origin, religion, age, marital status, or handicapping conditions," and directed that such a program not be established in the Department of Defense without adequate merit safeguards; now, therefore, be it

RESOLVED, That The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion oppose the Special Emphasis Employment Program, also known as the "Sugarman Plan," which would violate the longstanding tradition of selection of Federal employees on merit.

General Employment Matters

Thirteen (13) resolutions considered by your Committee concerned funds and support of the Veterans Employment Service and State employment security agencies. **Resolution No. 279** (Virginia) became the master resolution, and consolidated therewith are **Resolution Nos. 21** (New Hampshire), **34** (Nebraska), **68** (Massachusetts), **110** (Kentucky), **132** (Indiana), **141** (Minnesota), **157** (Vermont), **163** (Kansas), **255** (Illinois), **256** (Illinois), **344** (Oklahoma) and **491** (Hawaii).

Resolution No. 279 (Virginia) — "Support Sufficient Funds And Accountability Thereof For The Employment Services To Veterans"

WHEREAS, It has been The American Legion's long established policy to promote a maximum employment program for all veterans; and

WHEREAS, The Servicemen's Readjustment Act of 1944 provided for the establishment of facilities for effective counseling and placement services for all veterans; and

WHEREAS, The Vietnam Era Veterans Readjustment Acts of 1972 and 1974 updated these benefits, with special emphasis directed toward disabled veterans and veterans of the Vietnam era, surviving widows of veterans who died of service-connected disabilities, the spouse of any person who has a total disability, permanent in nature, resulting from a service-connected disability, or the spouse of a veteran who died while a disability so evaluated was in existence; and

WHEREAS, The United States Department of Labor has the legal responsibility to establish policies for carrying out the above provisions embodied in Chapters 41 and 42 of Title 38, United States Code; and

WHEREAS, The Veterans Employment Representatives in the states and the State employment agencies have been mandated to carry out these policies as provided in said chapters of Title 38, United States Code; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support an effective Veterans Employment Service and the State employment services for all veterans, and urge Congress to appropriate sufficient funds to adequately do the job so necessary to the security and welfare of all veterans; and that the Department of Labor and State employment security agencies take necessary steps to insure that the expenditure of funds so appropriated reflects accurately those amounts used by State employment security agencies and local offices to serve veterans employment and training needs.

Resolution No. 33 (Nebraska) became the master resolution and consolidated therewith are **Resolution Nos. 139** (Minnesota) and **340** (Oklahoma).

Resolution No. 33 (Nebraska) — "Seek To Eliminate Existing Obstacles To Veterans Preference In Programs Of The Comprehensive Employment And Training Act," as amended.

WHEREAS, Veterans now in programs under the Comprehensive Employment and Training Act (CETA) comprise only about 22 percent of Title II and 24 percent of Title VI participants, well below the Administration's 35 percent veteran goal; and

WHEREAS, The United States Department of Labor has issued CETA regulations which effectively exclude an estimated 85 percent of all unemployed veterans from CETA program eligibility, one of which, restricting the majority of CETA opportunities to those with a low "family income," makes most veterans ineligible, including thousands of jobless veterans with working spouses; and

WHEREAS, CETA regulations and Department of Labor field instructions also have the effect of excluding from CETA eligibility several kinds of veterans and disabled veterans, including: Jobless veterans who have not been unemployed for at least 15 weeks; veterans without regular jobs who are temporarily in "GI Bill" or other training programs; and veterans who are receiving certain medical care; and

WHEREAS, Section 2 of CETA states its purpose to be the provision of training and employment opportunities for "unemployed and underemployed persons," as well as the economically disadvantaged, so it is the Department of Labor's regulations which are the cause of exclusion of many veterans from CETA programs, regulations which can be modified and amended; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the Department of Labor to revise its Comprehensive Employment and Training Act (CETA) regulations and field instructions in order to remove current obstacles to maximum veteran participation in CETA job training and public service employment programs; and, be it further

RESOLVED, That The American Legion support legislation designed to eliminate the existing barriers to veteran participation in CETA programs, including legislative provisions for setting aside, for veterans and disabled veterans only, a substantial percentage of CETA job training and public service employment opportunities, particularly in areas where data from State employment services and other sources indicates there are large numbers of unemployed veterans.

Resolution No. 109 (Kentucky) became the master resolution, with **Resolution No. 348** (Oklahoma) consolidated therewith.

Resolution No. 109 (Kentucky) — "Request Department Of Labor Directives On Assignments Of Local Veterans Employment Representatives"

WHEREAS, Certain amendments incorporated in P.L. 92-540, passed in 1972, and now codified as Section 2004, Title 38, United States Code, require that one or more full-time local veterans employment representatives (VERs) be assigned to each State employment office, and the law further specifies that their duties shall be the same as the duties of the State Directors of Veterans Employment and his assistants; and

WHEREAS, The cited legal provision also specifies that any exception to the required full-time LVER shall be based only on a "demonstrated lack of need," and the Employment and Training Administration is ignoring this provision of the law; and

WHEREAS, In addition to assigning part-time LVERs where full-time LVERs are required, many LVERs are being assigned so many duties stressed as priority, but not related to services to veterans, that the designation of LVER in those offices is merely perfunctory; and

WHEREAS, These cited evasions of the intent and letter of the law have been and are now working to the detriment of veterans applying for employment assistance and remedial action is necessary at both national and state levels; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion request officials of the Department of Labor to issue official instructions to all State employment service agencies to the effect that:

1) full-time veterans employment representatives (VERs) shall be assigned in those local employment service offices which meet veteran workload criteria established by Congressional mandate;

2) any office meeting the criteria and which has not assigned the necessary full-time local VERs by a designated date, shall submit a written demonstration of lack of need, as required by law, for such full-time local VER, prepared by the State Employment Service and approved by the State Director of Veterans Employment and the Department of Labor, to be available to authorized representatives of veterans organizations on request; and

3) in those local employment offices with veteran workloads which do not meet the criteria for a full-time LVER, part-time LVERs will be assigned, with service to veterans as the LVERs foremost and most important assignment.

Resolution No. 158 (Vermont) — "Amend Definition Of 'Eligible Veteran' In Legislation For 'Affirmative Action,' " as amended.

WHEREAS, Congress sought to provide special employment assistance to veterans, especially disabled and Vietnam era veterans, through provisions now codified in Chapter 42 of Title 38, United States Code; and

WHEREAS, In Section 2011 of this Chapter 42 of Title 38, United States Code, "disabled veteran" is defined as a person receiving Veterans Administration compensation for a "disability rated at 30 percentum or more;" and

WHEREAS, In this same Section 2011, the term "veteran of the Vietnam era" includes in the definition a conditon of having been "discharged or released within the 48 months preceding his application for employment;" and

WHEREAS, The rate of unemployment for both disabled and Vietnam veterans is very high, far in excess of that of nonveterans, and the assistance contemplated by Congress with this legislation is not being rendered; and

WHEREAS, A simplification of the definitions for disabled and Vietnam era veterans would broaden the eligibility for employment in companies with Federal contracts, and for employment emphasis by these firms and the Federal government as outlined in the law; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana,August 22-24, 1978, That The American Legion seek legislation to define a "disabled veteran" and a "veteran of the Vietnam era" for the purpose of affirmative action by deleting the 30 percent disability requirement and the stipulation that the Vietnam era veteran be discharged or released from military service within 48 months preceding application for employment.

Resolution No. 167 (Kansas) became the master resolution, with **Resolution Nos. 283** (Virginia) and **351** (Oklahoma) consolidated therewith.

Resolution No. 167 (Kansas) — "Sponsor Legislation To Reduce The Numbers Of Categories Of Veterans In Public Employment Services"

WHEREAS, With the passage of the Emergency Employment Act of 1971, popularly known as the Public Employment Program (PEP), and, more recently, the Comprehensive Employment Training Act of 1973 (CETA), it became necessary to identify "special veterans" who are eligible for special consideration; and

WHEREAS, Executive Order 11598 and 11701 and Public Laws 92-540 and 93-508 require Federal agencies and contractors to list their job openings with the State employment services; and

WHEREAS, Public Laws 92-540 and 93-508 require the Secretary of Labor to report annually to the Congress regarding the success of each of the State employment services in providing services to veterans; and

WHEREAS, The result of these several legislative requirements has been to necessitate the identification, tracking, and reporting of at least nine (9) different categories of veterans, plus, effective July 1, 1975, three (3) categories of "eligible persons" who are spouses of certain veterans, all of whom must be identified according to combinations of their durations of military service and degree of service-connected disabilities (if any); and

WHEREAS, These several requirements have led to combinations of the categories of special veterans, Vietnam era veterans, recently-separated veterans, disabled veterans, special disabled veterans, and other veterans, into an unwieldy number of veteran categories, causing more confusion and paper work for public employment service personnel who are responsible for providing services to veterans; and

WHEREAS, With the passage to time and changes in economy, some of the veteran categories, such as recently separated and Vietnam era veterans, will become less significant; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion seeks legislation to reduce the number of categories of veterans to be used in administering laws applicable to veterans in the public employment service, using as a guideline the following two categories, namely, disabled veterans, and veterans.

Resolution No. 168 (Kansas) is the master resolution, with **No. 280** (Virginia) consolidated.

Resolution No. 168 (Kansas) — "Seeks Adequate Funds For Services To Disabled And Older Veterans"

WHEREAS, The American Legion has looked with compassion on the specialized needs of the disabled and the older veteran; and

WHEREAS, Seriously disabled Vietnam veterans in decreasing numbers are seeking gainful employment; and

WHEREAS, The advancing age of World War II and Korean veterans and the incidence of disability creates serious employment problems for these veterans; and

WHEREAS, The responsibility for providing specialized services to meet the unemployment problems of older veterans and disabled veterans has been given to the U.S. Department of Labor through the U.S. Employment and Training Administration, the Veterans Employment Service, and the various State employment services; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the Departmentof Labor, the U.S. Employment and Training Administration, the Veterans Employment Service, and the various State employment services to increase and intensify services to disabled veterans and older veterans; and be it further

RESOLVED, That The American Legion inform Congress of the specialized employment needs of these veterans and request provision for adequate funds so that the designated Federal and State agencies can fully comply with their responsibilities to serve disabled veterans and older veterans.

Resolution No. 235 (California), as amended, became the master resolution, with **Resolution Nos. 154** (Utah), **346** (Oklahoma), and **431** (Colorado) consolidated therewith.

Resolution No. 235 (California) — "Supports Continuation Of The Disabled Veterans Outreach Program"

WHEREAS, Under the President's three-point employment program for veterans, Congress has appropriated funds to finance a Disabled Veterans Outreach Program (DVOP), in which some 2,000 disabled veterans have been hired by the State employment offices throughout the Nation to do outreach, placement, training, and counseling of disabled veterans, with the intent that 40,000 more disabled veterans will be brought into the labor force through their outreach efforts; and

WHEREAS, In spite of reports of instances of diversion of DVOP staff to unrelated programs, and of restrictions in some offices of DVOP interviewing of prospective job candidates, it is understood that, for the most part, reasonable success is being achieved; and

WHEREAS, The Department of Labor plans to cut DVOP staff through attrition of 500 per year until the program terminates; and

WHEREAS, The proposed expiration of DVOP is regrettable, particularly when many older veterans of World War II and the Korean conflict with service-connected disabilities find their disabilities more handicapping in a tight employment market, and young disabled Vietnam veterans continually need employment assistance; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge that the Disabled Veterans Outreach Program (DVOP) of the Department of Labor be integrated into the regular program of the State employment security agencies and that the Department of Labor plan to continue making funds available for this purpose.

Resolution No. 284 (Virginia) — "American Legion Members Seek To Serve On Planning Councils For Comprehensive Employment And Training Act"

WHEREAS, P.L. 93-203, the Comprehensive Employment and Training Act of 1973 (CETA) decentralizes and decategorizes manpower training programs previously administered by the State employment services under the Manpower Development and Training Act (MDTA); and

WHEREAS, Funds previously allotted to the State employment agencies for job training programs, such as those under MDTA and the Economic Opportunity Act (EOA) are now provided as part of the manpower revenue sharing program, enacted into law as the Comprehensive Employment and Training Act of 1973 (CETA), and these funds are lumped together and apportioned mostly to Governors, Mayors, County Boards and other local officials who design their own local job training programs to meet local situations, thereby largely limiting Federal controls; and

WHEREAS, A clear Federal mandate for veterans preference ("Special emphasis" is not enough) in the job training program under CETA is not written into the Act; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That Department officers, Post officers, and individual members contact the state and local officials in their area designated as prime sponsors under the Comprehensive Employment and Training Act, indicating their wish to serve on planning committees, etc., and/or obtain a commitment to strong veterans preference requirements in referral to job training.

Resolution No. 339 (Oklahoma), as amended, is the master resolution, with **No. 103** (Idaho) consolidated.

Resolution No. 339 (Oklahoma) — "Sponsor And Support Legislation To Amend Chapter 41, 38 USC, Section 2001, As It Pertains To The Definition Of 'Eligible Veteran,' " as amended.

WHEREAS, Section 2001 of Title 38, United States Code, defines an "eligible veteran" as a person who has served in the Armed Forces of the United States at any time, either war or peace, and was released therefrom with other than a dishonorable discharge; and

WHEREAS, This broad definition of eligible veteran for this Act means that all "veterans" are eligible for preferential job placement, job counseling, and training opportunities; and

WHEREAS, The Vietnam conflict has been declared officially ended as of May 7, 1975, by Presidential Proclamation; and

WHEREAS, The American Legion has traditionally supported preference only for wartime veterans, because of the sacrifices that these veterans were called upon to make for their Country; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation to amend Chapter 41, Title 38, United States Code, Section 2001, to provide that the definition of "eligible veteran" for purposes of preferential job placement, job counseling and training opportunities be a person who served in the military, naval, or air service during any war, including the period of April 28, 1952, through July 1, 1955, or who served for a period of more than 180 days, any part of which occurred after August 4, 1964, to the date of termination of the Vietnam conflict, May 7, 1975, as established by Presidential Proclamation.

Resolution No. 341 (Oklahoma) — "Support The Legion 'Jobs For Veterans' Program," as amended

WHEREAS, In mid-1970, The American Legion initiated a "Jobs for Veterans" program and has, through its departments, and Posts, conducted numerous veterans job fairs, information days, and other continuing programs of service, thus immeasurably broadening job and job training opportunities for all veterans; and

WHEREAS, The President of the United States asked for, and was pledged, the support and assistance of The American Legion in his three-point program to encourage the employment of veterans, namely: 1) Disabled Veterans Outreach Program (DVOP) to bring disabled veterans into the labor market and their placement in jobs; 2) Help through Industry Retraining and Employment (HIRE), whereby private companies will agree to hire veterans; and 3) a goal of 35 percent participation rate for veterans in public service jobs under the Comprehensive Employment and Training Act; and

WHEREAS, The DVOP is still in operation, the HIRE program (formerly HIRE I, now HIRE II) has been revised to be for veterans only; and the 35 percent total for veterans in CETA jobs has not yet been reached; and

WHEREAS, All American Legion activity at the various levels to promote this three-point employment program is a part of the continuing program of service under the "Jobs for Veterans" program; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, To support the continuation of the National/Department "Jobs for Veterans" program; and, be it further

RESOLVED, That all Posts and Departments exert every effort to inform interested veterans of the need to register at public employment offices for information on these programs; and, be it finally

RESOLVED, That The American Legion hereby call upon the leaders of labor, industry, government, medical, fraternal, civic and community groups to support The American Legion's National and Department "Jobs for Veterans" activities in this priority program in an effort to promote maximum employment opportunity to all veterans of this Nation.

Resolution No. 343 (Oklahoma) — "Establishment Of Assistant Secretary Of Labor For Veterans Employment," as amended.

WHEREAS, The American Legion from time to time has passed resolutions urging the Congress of the United States to enact legislation creating a position of Assistant Secretary of Labor for Veterans Employment to supervise and direct a meaningful job placement for all veterans; and

WHEREAS, The Congress has enacted legislation creating a Deputy Assistant Secretary of Labor for Veterans Employment, to be nominated and confirmed by the U.S. Senate, to implement programs to provide employment for the Nation's veterans; and

WHEREAS, It was intended by Congress that the Deputy Assistant Secretary of Labor for Veterans Employment was to be the principal advisor to the Secretary of Labor regarding the formulation and implementation of all policies affecting veterans within the Department of

Labor, such as in the Comprehensive Employment and Training Act, mandatory list and affirmative action requirements, etc.; and

WHEREAS, The Deputy Assistant Secretary was not placed at a high enough level in the organizational structure of the Department of Labor; did not have direct access to the Secretary of Labor, but was confined to the former channels of command, and, in addition, was given responsibility for the day-to-day operations of the Veterans Employment Service, thus being unable to fulfill the intentions of Congress; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion support legislation to establish a full Assistant Secretary of Labor for Veterans Employment, and to establish the Veterans Employment Service as a separate agency within the United States Department of Labor; and, be it further

RESOLVED, To support legislation to establish, in the career civil service, the position of Director, Veterans Employment Service, charged with the day-to-day responsibility of carrying out the veterans programs.

Resolution No. 345 (Oklahoma) — "Support Legislation That State Employment Offices Be Responsible For Certification And Referral Of Applicants To Programs Under The Comprehensive Employment And Training Act"

WHEREAS, Since being established by the Wagner-Peyser Act of 1933, a system of veterans employment service, in conjunction with state employment security agencies, has been active in placing job applicants, including veterans, in employment and providing other employment services, such as job development; and

WHEREAS, Veterans by law are required to receive priority consideration in job referral and job training opportunities; and

WHEREAS, Job training and placement services funded under the Comprehensive Employment and Training Act of 1973 (CETA) have frequently resulted in a duplication of employment services; and

WHEREAS, Veterans, in spite of a recent nationwide campaign by the Administration, have never received the share of job and job training placement under CETA programs as under previous employment and training programs which utilized state employment services; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, To support legislation to require that all responsibility for certification and referral of applicants to prime sponsors under the Comprehensive Employment and Training Act be centered in the state employment security agencies to insure veterans preference in Federally funded jobs.

Resolution No. 347 (Oklahoma) — "Oppose Legislation To Transfer Veterans Employment Programs To The Veterans Administration"

WHEREAS, Congress established in the Wagner-Peyser Act of 1933 an employment service for veterans which has been placed in the United States Department of Labor; and

WHEREAS, Congress, disturbed by a high unemployment rate of veterans, particularly disabled veterans, and of the Vietnam era, has more recently promulgated additional laws (P.L. 92-540, P.L. 93-508, and P.L. 94-502) to improve those employment services to veterans provided through the Department of Labor; and

WHEREAS, There is now pending in Congress a bill to transfer veterans employment and reemployment functions now assigned to the Secretary of Labor under Chapters 41, 42, and 43, Title 38, United States Code, to the Veterans Administration; and

WHEREAS, The Veterans Administration has only been peripherally involved in employment programs for veterans, and this proposed legislation would necessitate the creation of an entirely new office in the Veterans Administration as well as the establishment of relationships with the state employment security agencies through which the Veterans Employment Service has worked; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, To oppose legislation in the United States Congress that would transfer to the Administrator of Veterans Affairs the functions of the Secretary of Labor as provided under Title 38, United States Code, Chapters 41, 42 and 43, relating to job counseling, training, placement and reemployment of veterans.

Resolution No. 349 (Oklahoma) — "Oppose Legislation To Consolidate The Employment Service With The Comprehensive Employment And Training Act"

WHEREAS, The Wagner-Peyser Act of 1933 established both a Veterans Employment Service and a system of state employment services in which veterans receive preference in job referral; and

WHEREAS, This preference in job referral in the State employment security agencies has resulted in many veterans finding employment; and

WHEREAS, Congress has in recent years, in recognition of the need of disabled veterans, returning Vietnam era veterans and of older veterans in counseling, training, job development, and job placement provided through the State employment offices, passed successive legislation to improve these services; and

WHEREAS, Veterans seldom receive employment or job training assistance under the Comprehensive Employment and Training Act of 1973; and

WHEREAS, There is now pending in Congress a bill to consolidate the programs provided under Wagner-Peyser Act and the Comprehensive Employment and Training Act of 1973, which would include the repeal of the Wagner-Peyser Act and its provision for special employment services for special employment services for veterans; and

WHEREAS, Such a repeal and consolidation would adversely affect the employment programs and preferential job referral now provided in the State employment services; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion oppose any legislation that would consolidate the programs provided under Wagner-Peyser Act and the Comprehensive Employment and Training Act of 1973.

Resolution No. 430 (Colorado) is the master resolution, with **Resolution Nos. 352** (Oklahoma) and **396** (Texas) consolidated.

Resolution No. 430 (Colorado) — "Request Department Of Labor To Direct States To Establish Annual Plan Of Service For Employment Services To Veterans"

WHEREAS, The United States Department of Labor has only minimally implemented numerous long longstanding legal and regulatory requirements which were designed to provide veterans the maximum of employment and training opportunities; and

WHEREAS, Section 2007(a)(2) of P.L. 92-540 requires the Secretary of Labor to determine whether the State employment security agencies have committed the necessary staff to insure the mandated services to veterans and "to arrange for necessary corrective action where staff resources have been determined by the Secretary of Labor to be inadequate," but there is no methodical, ongoing, effective system for either determining such staff shortfalls or taking corrective action; and

WHEREAS, Section 2006(a), P.L. 92-540, requires that each annual State employment service budget must estimate funds for certain services to veterans and Section 2006(d), in effect, requires the Department of Labor to establish fiscal controls which are sufficient to insure that the State employment service expends such funds for no other purpose except with the "approval of the Secretary of Labor based on a demonstrated lack of need," but the Department has not established such fiscal controls; and

WHEREAS, Section 2007(a)(1) of P.L. 92-540 requires that *each* veteran who requests public employment service assistance (emphasis added) shall "promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially," but the Department of Labor's woefully weak implementing regulations allow, for example, some state employment service agencies to place in jobs as few as nine percent of the veteran applicants, and to assist in some measurable way (according to the employment service reporting system) as few as 24 percent of the veteran applicants; and

WHEREAS, Section 2004, P.L. 92-540 and its implementing regulation (20 CFR 653.224) require full-time local veterans employment representatives in public employment offices with specified veteran workloads and many violations of this provision are believed to exist, but little remedial action by the Department of Labor is apparent; and

WHEREAS, Sections 2003 and 2004 of P.L. 92-540, as well as Sections 653.224(d) and (e), Title 20, Code of Federal Regulations, thoroughly describe the special mandated duties of the local veterans employment representatives, including the primary duty of functional supervision of overall local office services to veterans, but few, if any, directives or training material have been issued by the Department of Labor concerning proper application of these important provisions;

WHEREAS, Section 653.221(c), Title 20, Code of Federal Regulations, requires the public employment offices to review all veterans applications each 30 calendar days for the purpose of contacting unassisted veterans and providing assistance, and Section 653.221(e) provides for local office referral of veterans to jobs within two working days after they file their applications, but the Department of Labor has not informed the State employment service agencies concerning these provisions, in a meaningful way; and

WHEREAS, Some slight improvement in employment services to veterans during the past two years in no way indicates attainment of the outstanding quality of veterans employment assistance clearly intended by law, as illustrated by the fact that 72 percent of the veteran applicants were not placed in jobs by the State employment service in fiscal year 1977, and well over half the veteran applicants received no job assistance which was recordable through the employment service's reporting system; now, therefore, be it

RESOLVED, That The American Legion in National Convention assembled inNew Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the Department of Labor to launch a vigorous corrective action program for veterans which will include the following provisions: an administrative requirement for a separate, comprehensive veterans employment and training placement plan, within the annual State employment service Plan of Service, which shall thoroughly describe how each veteran's legal mandate shall be implemented, and also shall itemize all appropriate costs, including the salary of each State employment service employee whose work time is fully committed to veterans; and a new system of comprehensive fiscal controls, as required by Section 2006, Title 38, United States Code, to assure that all Department of Labor funds granted to the State employment service agencies shall be used for no other purpose; and, be it further

RESOLVED, That The American Legion urge the U.S. Department of Labor and the Congress to consider the need for a separately identified, staffed, and Federally funded State Veterans Employment Service (SVES), as an integral component of the State employment service agency, which would include the following features: a small SVES supervisory staff at the State employment service administrative office; full-time local veterans employment representatives (VERs) and assistant VERs in the larger employment service offices, as well as veterans employment specialists, veterans counselors, veterans job developers, and veterans outreach specialists to be allocated among the local offices according to veteran workload; and incentive for the journeyman, and supervisory levels in order to encourage recruitment and retention of well qualified individuals, preferably veterans.

Resolution No. 432 (Colorado) becomes the master resolution, as amended, with **Resolution Nos. 155** (Utah); **236** (California) and **447** (District of Columbia) consolidated therewith.

Resolution No. 432 (Colorado) — "Reestablish The Position Of Director Of Veterans Employment Service," as amended.

WHEREAS, The position of Director, Veterans Employment Service, was abolished by the Secretary of Labor, ostensibly due to the establishment of the position of Deputy Assistant Secretary of Labor for Veterans Employment; and

WHEREAS, The creation of the position of Deputy Assistant Secretary for Veterans Employment was intended to strengthen the implementation of previously enacted legislation to improve the employment of veterans; and

WHEREAS, The position of Director, Veterans Employment Service carries the day-to-day responsibility and is considered necessary for the proper administration of veterans employment and training programs; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion request the Secretary of Labor to reestablish the position of Director, Veterans Employment Service.

Resolution No. 433 (Colorado), as amended, is the master resolution and consolidated therewith is **No. 350 (Oklahoma).**

Resolution No. 433 (Colorado) — "Support Legislation To Allow Military Retirees To Receive Full Unemployment Compensation Benefits When Based on Post-Military Employment," as amended

WHEREAS, Section 314(a) of the Unemployment Compensation Amendments of 1976 (P.L. 94-566) establishes Section 3304(a) of the Federal Unemployment Tax Act, which reduces unemployment compensation payable to an individual by an amount equal to the amount of any pension, retirement, or retired pay, annuity, or other payments received by the claimant; and

WHEREAS, This is contrary to the early purpose of unemployment insurance, which has continued through the 10-year life of the program, which was to restore at least 50 percent of lost wages, and to give the economy protection against loss of consumer purchasing power caused by unemployment; and

WHEREAS, An employer's rate of contribution to the fund from which unemployment compensation is paid would not be increased if those employees receiving such military retirement payments were discharged, which in turn would induce employers to lay off such employees first; and

WHEREAS, Members of the Armed Forces frequently enter military service at an early age, consequently retiring while still relatively young, with children to support and educate, and such early retirement has been an inducement for many to enter and remain in the Armed Forces; and

WHEREAS, The American Legion believes that the cited legislation is inequitable to those retired military members who entered the labor force after military retirement, earned unemployment insurance entitlement from post-retirement civilian employment, and for whom reduction of unemployment compensation as outlined above would bring hardship on their families and drastically curtail their purchasing power, contrary to the principle of unemployment insurance; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion sponsor and support legislation to remove the restrictions against the receipt of unemployment compensation concurrently with military retired pay when unemployment compensation is based upon wage credits earned after retirement from the military service.

Resolution No. 521 (Convention Committee) — "Office Of Federal Contract Compliance Program Headed By An Assistant Secretary Of Labor"

WHEREAS, The Vietnam Era Veterans Readjustment Act of 1974 mandates that Federal contractors take affirmative action to employ and advance in employment qualified disabled and Vietnam Era Veterans; and

WHEREAS, Unemployment among disabled and Vietnam Era veterans remains exceedingly high; and

WHEREAS, Preliminary report on 300 directed compliance reviews undertaken at the Office of Federal Contract Compliance Programs, United States Department of Labor, indicate that over ninety percent of the Federal contractors are not in compliance with the requirements of the Act for affirmative action for veterans; and

WHEREAS, A strong enforcement program is necessary to assist disabled and Vietnam era veterans to obtain gainful employment; and

WHEREAS, Under the President's reorganization plan, it is proposed, effective October 1, 1978, to consolidate the work of all compliance agencies into the Department of Labor; and

WHEREAS, This reorganization and consolidation will downgrade the National Office of the Veterans and Handicapped Affirmative Action staff and reduce it from a division of seventeen persons to a branch with a professional staff of only four and a secretary; and

WHEREAS, On August 1, 1978, The American Legion and other major veterans organizations met with the Assistant Secretary of Labor for Employment Standards to discuss concerns with the proposed changes, with the Assistant Secretary leaving the meeting without acknowledging the problems with enforcement, or offering any alternatives or solutions; and

WHEREAS, This meeting brought no positive results and there has been no further indication that the Department of Labor is taking effective steps to insure that the provisions of the law concerning the requirements for Federal contractors to take affirmative action will be adequately enforced; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion request the President of the United States and the Secretary of Labor to strengthen the programs for affirmative action by Federal contractors for disabled and Vietnam era veterans by placing enforcement in an Office of Federal Contract Compliance separately identified and funded, and headed by an Assistant Secretary.

Resolution No. 533 (Convention Committee) — "Designate The Second Full Week In March As 'National Employ The Older Worker Week' "

WHEREAS, The American Legion for a number of years has concerned itself with the difficulty encountered by the older worker, who in many cases is forty-five years or younger, inasmuch as many of this group are veterans; and

WHEREAS, The practice of discrimination in employment because of age for otherwise qualified persons is not only illegal, but is contrary to the American principles of liberty and equality of opportunity for all citizens; and

WHEREAS, The American Legion since 1959 has promoted annually a successful program to focus attention on the advantages of employing older people, especially veterans, under which the second full week in March is designated as "Employ the Older Worker Week," and citations are presented annually to employers who do not discriminate against older workers; and

WHEREAS, Department participation and interest of the Legion, employers, and the public in the program has increased each year for the past two decades and it has been recognized throughout the Nation and by the United States Congress as a meaningful and significant program to combat age discrimination in employment; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion petition the Congress of the United States to adopt a Joint Resolution requesting the President of the United States to issue a Proclamation (1) designating the second full week in March of each year as "National Employ the Older Worker Week;" and (2) calling upon employer and employee organizations, other organizations concerned with employment, and the citizens of the United States in general to observe such a week with appropriate ceremonies, activities, and programs designed to bring about the elimination of discrimination in employment because of age.

Referred Resolutions

Veterans Preference and Federal Employment

Resolution No. 364 (Washington) — "Support Of The Veterans Readjustment Act Of 1974"

Resolution No. 490 (Hawaii) — "U.S. Civil Service Commission Ruling On Civil Service Employees 'Cost Of Living Allowance' For Those Who Live In Alaska, Hawaii And U.S. Territories"

General Employment

Resolution No. 98 (Maine) — "The Disabled Veterans Outreach Program"

Resolution No. 176 (Pennsylvania) — "Oppose Any Reduction In Funding That Will Affect Job Service To Veterans Through The State Employment Service"

Rejected Resolutions

Veterans Preference and Federal Employment

Resolution No. 104 (Idaho) — "Contract Technical Services Personnel System" (Not sufficiently germane to veterans.)

OTHER ECONOMIC MATTERS

Thirty-seven (37) members of the Committee on Other Economic Matters met in joint session with the Committee on Employment and Veterans Preference and considered seven (7) resolutions, of which six (6) were consolidated into three (3), which are being submitted for approval; and one (1) is recommended for referral to the Standing Economic Commission for further study.

Approved Resolutions

Resolution No. 119 (Kentucky) as the master resolution, with **Nos. 166** (Kansas), **278** (Virginia), and **338** (Oklahoma) consolidated therewith.

Resolution No. 119 (Kentucky) — "Oppose Any Transfer Of The G.I. Loan Program From The Veterans Administration"

WHEREAS, The G.I. home loan program originally sponsored by The American Legion has been of tremendous assistance to millions of American war veterans; and

WHEREAS, These loan benefits are available to all eligible veterans of World War II, Korea, and with active military service after January 31, 1955, who have not utilized these benefits; and

WHEREAS, This G.I. home loan program has been successfully administered by the Loan Guaranty Service of the Veterans Administration; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled inNew Orleans, Louisiana, August 22-24, 1978, That The American Legion continue to voice vigorous protest against the transfer of the administration of the G.I. home loan program or any part thereof from the Veterans Administration or any part thereof from the Veterans Administration to any other department or agency of the Federal government.

Resolution No. 277 (Virginia) — "Support Of The United States Savings Bond Program"

WHEREAS, The American Legion has always served the community, state and Nation by the promotion of wholesome and patriotic Americanism programs during time of peace, as well as time of war; and

WHEREAS, The continued strength and prosperity of our way of life depends upon the citizenry and the willingness of said citizens to unite and resolve together in solving its problems; and

WHEREAS, Some of the outstanding problems now confronting our great Country are the stability of the dollar, inflation and a strong military defense system; and

WHEREAS, The systematic purchase of United States Savings Bonds have provided individual participation, as well as providing personal investments, while at the same time it provides an effective effort in the areas of economics and military preparedness; and

WHEREAS, The United States Savings Bonds Program offers every man, woman, or child the opportunity to voluntarily become participants; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion pledge to continue our support of the United States Savings Bond program, and that we utilize our individual and group efforts to assist in effecting the success of this important program.

Resolution No. 532 (Convention Committee) — "Support Holding A White House Conference On Aging"

WHEREAS, The American Legion has at all times demonstrated a concern for the wellbeing of the aged, both of veterans and others in our communities; and

WHEREAS, For the twentieth consecutive year, The American Legion's National Economic Commission has sponsored "Employ the Older Worker Week," initially during the first full week in May, and the second full week in March since 1973; and

WHEREAS, The American Legion by virtue of **Resolution No. 1**, N.E.C., May 4-5, 1960, created a permanent joint Rehabilitation-Economic Subcommittee on Problems of the Aged and Aging; and

WHEREAS, The American Legion actively supported and participated in the first and second White House Conferences on Aged and Aging held in 1961 and 1971, pursuant to **Res. No. 18**, N.E.C., October 8-10, 1958, and **No. 548** of the 1968 National Convention; and

WHEREAS, There is currently pending in both houses of Congress proposed legislation to authorize the President to call a White House Conference on Aging in 1981; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion shall support legislation in the Congress of the United States to hold a third White House Conference on Aging, and give its approval to participate in such a Conference by Departments and National Committees and Commissions concerned with problems of the aged and aging.

Referred Resolution

Resolution No. 54 (Arizona) — "VA Home Loans To Navajo Indian Veterans"

The report was adopted.

REPORT OF CONVENTION COMMITTEE ON CHILDREN & YOUTH

Earl D. Franklin, Jr. (Colorado) Chairman

Your Convention Committee on Children & Youth met at 10:00 a.m., Sunday, August 20, 1978, and organized by electing Earl D. Franklin, Jr., Colorado, as Chairman and Elmer Fuhrhop, Ohio, as secretary with 42 delegates along with 12 visitors in attendance. The delegates agreed upon the following report which is respectfully submitted for your consideration.

We were pleased to have as our special guest Senator Alan Cranston of California. He spoke on present and proposed legislation that will affect the lives of the children of America. He was especially concerned with child abuse and neglect, which is one of our major points of emphasis in the coming year.

The Children & Youth program of 1978 will certainly be remembered as one of our greatest years on record. Total expenditures in support of Children & Youth activities by Posts, Departments, and the National Headquarters have reached the $17 million mark. When this figure is added to the total expenditures in this program since the mid-1920's, it reaches an astounding total of over $372 million. Fellow Legionnaires, this is an accomplishment of which we can all be proud.

The total Children & Youth picture is intensified each year by thousands of hours donated by truly dedicated

Legion and Auxiliary volunteers. No dollar sign can be placed before the time that they so willingly give.

This past year, the Children & Youth program theme was, "Making the Pieces Fit — Accept the Challenge." Through this theme, we stressed the dedication and cooperation among our volunteers as the two special essential items needed to help complete the total Children & Youth picture. We must dedicate ourselves not just to caring about the problems facing our youth but to the finding of adequate solutions. The puzzle may seem perplexing, however, if we dedicate ourselves to make the pieces fit in their proper place, the solution is evident.

Our primary concern each year is to deal with the many problems facing our young people. Although it is impossible to concentrate on every problem that affects youth, we can be proud of our accomplishments in these areas emphasized this past year. Among these concerns were Alcohol and Youth, Immunization, and Child Abuse and Neglect. Another annual program of which we are extremely proud is our "Make Halloween a Safe and Fun Night" activity. To the best of our knowledge, no other national organization sponsors and promotes safety guidelines at Halloween to the extent we do in The American Legion.

The 1979 program theme of the Children & Youth Commission is "A Children & Youth Adventure — Moving in New Directions." This theme calls upon our volunteers to first determine where they are going, plan for it, and then proceed to reach their desired destination.

Each new year brings a different adventure as we move in new directions toward our important goals. Continued dedication in the coming year will prove most rewarding to all those true adventurers who contribute their time and energy to the total welfare of our nation's youth.

Our program plans for 1978 include Immunization, Child Abuse and Neglect, and Disruptive Youth and of course, our ongoing Halloween and Temporary Financial Assistance Programs. These points of emphasis were carefully selected by your Commission as those areas most in need of the concerted efforts of The American Legion and the American Legion Auxiliary.

After concerned deliberations on resolutions assigned to us, your Convention Committee offers the following recommendations:

Approved Resolutions

Resolution No. 506 (Convention Committee on Children & Youth) — "Catastrophic Illness Among Children"

WHEREAS, There is an ever-widening crisis in many states related to the delivery and accessibility of health care and medical treatment to the children of this Country; and

WHEREAS, Historically it has been The American Legion's position that all children should have adequate health services to assure their physical, mental and emotional well-being; and

WHEREAS, Several applications have been received by the National Americanism and Children & Youth Division from Departments of The American Legion requesting financial assistance for needy medical cases from the Temporary Financial Assistance program; and

WHEREAS, Many children are not receiving needed medical treatment because their families have been unable to afford the cost of the catastrophic illness to one of their children; and

WHEREAS, Many of these same families have had hospitalization insurance and even major medical insurance, yet cannot meet the cost of the catastrophic illness; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it reaffirms its position in urging the federal and state governments to enact the necessary legislation to assist financially those individual families faced by catastrophic illness by one of their children in order to maintain the integrity of the family; and, be it further

RESOLVED, That in lieu of a better approach, the present federal and state Crippled Children's Services Program be expanded to include catastrophic illness with each state developing its own definition and financial standards relating to catastrophic illness.

Resolution No. 508 (Convention Committee on Children & Youth) — "Support Of Special Olympics"

WHEREAS, The American Legion, through its National Commission on Children & Youth has always been active in accomplishing its perennial theme, "A Square Deal for Every Child;" and

WHEREAS, Mental retardation is America's number one health problem affecting children today; and

WHEREAS, There is a program entitled Special Olympics which provides year-round opportunities for physical fitness, athletic training and sports competition for nearly a million mentally retarded individuals; and

WHEREAS, Special Olympics has a sincere need for facilities, volunteer personnel and other forms of support to enable them to reach unserved mentally retarded individuals; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it urge all Posts, Districts and Departments to offer assistance with the Special Olympics in whatever capacity that they so choose; and, be it further

RESOLVED, That the National Commission on Children & Youth be assigned the responsibility for coordinating national involvement with Special Olympics to include dissemination of guidelines and information throughout the American Legion.

Resolution No. 509 (Convention Committee on Children & Youth) — "School Nutrition Program"

WHEREAS, There has been an expression of concern by health authorities and various national organizations with an interest in the status of proper nutrition among young people; and

WHEREAS, The federal school lunch program and other federally-supported nutrition programs for children have demonstrated their worth as evidenced by a reduction of health problems, improved school performance among children and a reduction in the drop out rate; and

WHEREAS, There are many school systems throughout the United States that do not participate in the federal/state supported school lunch program; and

WHEREAS, There are many schools and school systems throughout the United States that have never had a lunch program or have dropped existing lunch programs because of the lack of funding adequate for facilities and the training of personnel; and

WHEREAS, Since 1941, The American Legion has supported the Federal School Lunch Program and other related programs of nutrition for children; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Congress of the United States and the various state legislatures be urged to appropriate sufficient funds for school nutrition programs to reflect the increased cost of food and to provide for needed facilities and trained personnel for the purpose of conducting an adequate school lunch program.

Resolution No. 510 (Convention Committee on Children & Youth) — "Violence And Vandalism In The Schools"

WHEREAS, Juveniles account for almost half the arrests for serious crimes in the United States; and

WHEREAS, Numerous elementary and secondary schools across the country are experiencing serious and at times critical levels of violence and vandalism; and

WHEREAS, Schools in America spend in excess of $500 million on vandalism each year; and

WHEREAS, The impact of violence and vandalism in our schools affects the morale of students, teachers, administrators, parents and impedes educational advancement and fosters patterns of juvenile delinquency; and

WHEREAS, Violence and vandalism in the nation's schools result in enormous loss of educational resources and human potential and contribute to the high rates of juvenile delinquency within the United States; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That school boards and state educational agencies develop a balanced and effective program to reduce and prevent violence and vandalism in the schools; and, be it further

RESOLVED, That the local posts urge and assist those in the educational community to join together with juvenile authorities and child-serving institutions in efforts to reduce the development of patterns of delinquency in schools; and, be it finally

RESOLVED, That the Congress of the United States enact appropriate legislation to establish a grant program to assist those schools in need in bearing the financial burden of implementing these programs.

Resolution No. 511 (Convention Committee on Children & Youth) — "Comprehensive Health Care For Children And Youth"

WHEREAS, The American Legion stands for A Square Deal for Every Child; and

WHEREAS, Many children face a lifetime as a health or dental cripple because of the high cost of our health delivery system; and

WHEREAS, There is a system of delivery of children and youth comprehensive health care presently being successfully operated across our nation in low income areas; and

WHEREAS, These programs are dependent upon yearly reconsideration and the appropriation of funds by the Congress of the United States; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it continues to support and endorse the programs as outlined by the Maternal and Child Health Services and Crippled Children's Services contained under Title V of the Social Security Act and urges the Congress of the United States to continue its support by adequately funding these programs including the Comprehensive Health Care for Children and Youth programs.

Resolution No. 512 (Convention Committee on Children & Youth) — "Adoptive Children With Special Needs"

sidered unadoptable because of the lack of clear direction and objectives in our many public and private adoption agencies; and

WHEREAS, Many of these are children of "special needs" who have not been adopted due to their age, race, ethnic group, mental, physical or emotional disability; and

WHEREAS, A crucial factor in the adoption of children of "special needs" is the high cost of medical care often impossible to estimate; and

WHEREAS, Those persons who would be willing to commit themselves to the involvement with and care for a physically or mentally handicapped child would need financial assistance; and

WHEREAS, The total cost of such assistance would have been appropriated for such service or support had such children remained in foster or institutional care; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it urge the local Posts or Units and Departments of The American Legion and American Legion Auxiliary to assist other Organizations and child-serving institutions to study the situation in their local communities and have appropriate legislation passed to subsidize those prospective adoptive parents who would otherwise adopt a child of special needs; and, be it further

RESOLVED, That the Congress of the United States enact appropriate legislation to establish a grant program to assist the necessary state agencies to subsidize the placement of foster children or the adoption of such children with special needs.

Resolution No. 513 (Convention Committee on Children & Youth) — "Reaffirming Immunization Program"

WHEREAS, The American Legion has long recognized that there is no place in civilized society for communicable diseases; and

WHEREAS, There are already today vaccines and other specific medical treatment to protect children against communicable diseases; and

WHEREAS, There exists today in our country areas with an extremely low level of immunization against certain childhood diseases; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it reaffirms its position of supporting the fullest use of any licensed vaccines to combat communicable diseases; and, be it further

RESOLVED, That local Posts of The American Legion provide leadership and support to stimulate local treatment and immunization programs so that children in every community may achieve the fullest protection against communicable diseases; and, be it finally

RESOLVED, That sufficient federal and state funds be provided so that medically indigent children may be afforded an opportunity to receive the necessary treatment and immunization against all communicable diseases.

Resolution No. 507 (Convention Committee on Children & Youth) — "Youth Camping Safety," as amended

WHEREAS, Over 10 million children are participants annually in organized camping; and

WHEREAS, In 1973, at least 25 children died, 1,448 suffered injury and 1,223 suffered from a serious illness during their camping experience; and

WHEREAS, Only 7 states have comprehensive health and safety laws and 24 states have no rules or regulations governing camping; and

WHEREAS, Many parents when selecting a camp for their children to attend, have no idea of the competency of the camping personnel nor the adequacy of the safety facilities of the camp; and

WHEREAS, Many Districts and Posts of The American Legion have developed community or regional camping facilities; and

WHEREAS, The need for uniformity in camping regulations has been endorsed by the Boy Scouts, Girl Scouts, American Camping Association, National Parks and Recreation Association, National Safety Council as well as many other camping associations; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion urge the Posts, Districts, and Departments to investigate the need for more adequate rules and regulations to protect the health and safety of those children who benefit from the camping experience, especially those camps under the auspices of sponsorship by The American Legion; and, be it further

RESOLVED, That The American Legion encourages state governments to enact legislation necessary to protect the children and youth during their camping experience.

Referred Resolution

Resolution No. 136 (Minnesota) "Asking The American Legion to Investigate the Need for Legislation to Improve Opportunity for Employment of our Youth"

Rejected Resolution

Resolution No. 232 (California) "The Child and Family Service Act of 1975"

The report was adopted.

NATIONAL COMMANDER SMITH: The Chair recognizes Mr. Churchill T. Williams of Iowa, Chairman of the Finance Committee, for the purpose of making a report.

REPORT OF CONVENTION COMMITTEE ON FINANCE

Churchill T. Williams (Iowa) Chairman

Forty-five members of your Committee on Finance met at 10:00 a.m., August 20, 1978, and agreed upon the following report which is respectfully submitted for your consideration.

Paul M. Allen, Fiscal Supervisor, opened the meeting as Temporary Chairman and announced that nominations were in order for Chairman and Secretary. Churchill T. Williams, Iowa, was elected Chairman and Walton D. Griffin, Tennessee, Secretary, by unanimous vote.

Chairman Williams reviewed the income and expense items included in the annual audit report and requested Mr. James F. O'Neil, recently retired Publisher, *The American Legion Magazine*, to report on the Magazine's operation. Mr. O'Neil reported the gap is narrowing between the increased allocation to the Magazine and the spiralling costs of paper, printing and postage. He again reminded the Committee of the essential need to keep costs down in face of increased postage rates which are scheduled to increase $90,000 per year through the year 1987 at which time postage costs will have reached $2,600,000, as opposed to approximately $1,000,000 in 1977.

The Chairman then requested the Committee to review the Veterans Affairs and Rehabilitation income and expenses in the audit and pointed out the Finance Commission had allocated $600,000 from surplus funds in 1977 to avoid a deficit in this division. He further stated the 1978 budget was based upon a projected membership of 2,600,000 and included a surplus in the approximate amount of $600,000 and informed the Committee the projected surplus for 1978 is approximately $1,100,000. The Chairman cautioned that although the dues increase effective June 15, 1976 generated $2,700,000 additional income for 1977, the 1977 surplus was $1,700,000 and the projected surplus for 1978 is $1,100,000. If this trend continues at this same pace there will be need for an additional dues increase within the next two years.

The Chairman introduced National Treasurer Webber LaGrange and commended him for the outstanding service he is rendering to the National Organization.

W. H. Redman, Oklahoma, moved that the audit report be approved. Motion was seconded by Norman Biebel, Illinois, and carried unanimously.

A. G. Hays, Missouri, moved that per capita dues for the year 1979 be fixed at $3.50, seconded by Frank Kelley, Massachusetts, and carried unanimously.

Motion was made by E. Roy Stone, Jr., South Carolina, that the Standing Commission on Finance, the National Treasurer, the Fiscal Supervisor, the National Judge Advocate and their staffs be commended for their diligence in managing the fiscal affairs of The American Legion, seconded by Raymond Weeks, Alabama, and carried unanimously.

Referred Resolutions

Resolution No. 354 (Oklahoma) "American Legion Life Insurance Program"

The report was adopted.

REPORT OF CONVENTION COMMITTEE ON FOREIGN RELATIONS

Dr. Robert P. Foster (Missouri) Chairman

At 10:00 a.m., Sunday, August 20, 1978, 54 delegates assigned to the Convention Committee on Foreign Relations met initially in the Grand Salon of the Hilton Hotel, New Orleans, Louisiana. Dr. Robert P. Foster, (Missouri) was elected Chairman, and C. Alvin Hoffman was elected Secretary.

Following this initial meeting the six Convention Subcommittees met in separate locations to consider the resolutions which had been assigned to them. Their recommended action is carried in the initial portion of this report. The following were elected Chairmen:

General Foreign Policy

Chairman: Joseph H. Ellinwood

African Affairs

Chairman: J. Alvis Carver

Far Eastern Affairs

Chairman: E. Dean Hunter

Inter-American Affairs

Chairman: William G. Kays

Middle East Affairs

Chairman: J. Alvis Carver

Treaties and Agreements

Chairman: Keith Baker

On Monday, August 21, 1978, the delegates reassembled for a final meeting of the Convention Committee on Foreign Relations. Reports of all Subcommittees were read and their recommended action on resolutions considered. A total of 92 resolutions were assigned to the Convention Committee or prepared by them to meet problems which were held to be of concern to The American Legion and germane to its principles and objectives.

Pre-Convention Briefings

On Friday, August 18, 1978, members of the Foreign

Relations Commission and Council met in the Grand Salon of the Hilton Hotel to hear the following speakers:

Mr. Ed Butler, Author, Radio and TV Commentator, New Orleans, Louisiana

TV and Radio Script for Dr. Robert Foster

During the first meeting of The American Legion's Foreign Relations Commission here in New Orleans, we were privileged to hear Mr. Ed Butler, host of INCA (Information Council of America) Spirit U.S. Radio Television Series on WSMB. This was a real switch. The media came to talk to us. In an inspiring speech, Mr. Butler brought us up to date on the current Panama Opinionnaire, an electronic referendum which we hope goes nationwide. Of the 15,000 people polled to date in the New Orleans area, and in my opinion New Orleans is typical of America, over 99% are against the Panama Canal Treaties. Thus far, 14,814 oppose the treaties, 393 favor them as of August 18, 1978. So The American Legion is not alone. We still have the people with us.

On Saturday, August 19, 1978, again in the Grand Salon of the Hilton Hotel, the Commission and Council members met to consider resolutions and to hear in joint session with the National Security Commission and Council, and other distinguished guests including our National Commander, the following speakers:

Major General John Singlaub, USA (Ret.)
Former Chief of Staff, Forces Command
Honorable John F. Blake
Deputy Director (Administration)
Central Intelligence Agency

On Monday, again in the Grand Salon, the Convention Committee together with the National Security Convention Committee met to hear the Honorable Philip M. Crane, U.S. Congressman from Illinois who spoke on "U.S. Foreign Policy at the Crossroads."

We were honored by the presence of Mr. Robert Anders, liaison officer with the Department of State, during most of our sessions.

Without the excellent work of the Subcommittees and their Chairmen, the following reports could not have been prepared. To all of them, as well as to the staff of the National Security and Foreign Relations Division: G. Michael Schlee, Director; Frank A. Manson, Counsellor for Foreign Relations; Spence Leopard, Research Analyst; and Mrs. Jody Housenger, Secretary, I extend my sincere appreciation.

General Foreign Policy

Joseph H. Ellinwood (Massachusetts) Chairman

Approved Resolutions

Resolution 73 (Massachusetts) — "Captive Nations," as Consolidated With **Resolution Numbers 295** (VA), **407** (TX), and **474** (NC)

WHEREAS, The Captive Nations now represent the enslavement of more than one billion people, more than 30% of the world's inhabitance, and all are oppressed by communist-led dictatorships; and

WHEREAS, People living in the Captive Nations are denied such basic human rights as free speech, free press, freedom to vote for a choice, freedom of assembly and freedom to criticize those in authority; and

WHEREAS, The Captive Nations now include Armenia, Azerbaijan, Byelorussia, Cossakia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkestan, Montolia, and the Soviet Union, known as the Union of Soviet Socialist Republics; plus the fiercely independent Baltic Republics of Latvia, Lithuania and Estonia; plus the Eastern European Nations of Albania, Bulgaria, Yugoslavia, Poland, Romania, Czechoslovakia, Hungary, East Germany; plus the Asian nations of Mainland China, Tibet, North Korea, North Vietnam, South Vietnam, Cambodia and Laos; plus the Western Hemisphere's Cuba; and

WHEREAS, Other nations including Panama, Angola, Mozambique, Somalia, and Ethiopia are seriously threatened with communist enslavement; and

WHEREAS, Such anti-communist governments as Taiwan, South Korea, Rhodesia, Republic of South Africa, Republic of Transkei, the Kingdoms of Lesotho and Swaziland are under heavy pressure to surrender to communist pressures; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the leaders of the United States Government as the world symbol of life, liberty and the pursuit of happiness to speak out forthrightly in support of human rights for those enslaved inside the Captive Nations whose communist leaders deny the existence of God and the spiritual dimension of life, and whose avowed purpose is to destabilize non-communist governments by destroying their purpose, values, traditions and social systems; and, be it further

RESOLVED, That we call upon the President and the Congress of the United States to exert the same political and economic pressures against communist governments on behalf of human rights as has been done against non-communist governments.

Resolution No. 481 "World Communism," as consolidated with **Resolution Nos. 76** (MA), **375** (MD), **411** (TX), **449** (DC), and **288** (VA), as amended

WHEREAS, The United States Government is currently trying to persuade the Soviet Union's leaders that one nation cannot and should not attempt to impose its system or its society upon any other nation; and

WHEREAS, The communist world continues to seek the overthrow of every non-communist government and to use every means to that end, including political subversion, assassination, sabotage, terrorism and outright aggression; and

WHEREAS, To meet this continuing threat to non-communist nations, it is believed essential that the United States extend its assistance to nations that are experiencing psychological, political and military pressures by communist forces; and

WHEREAS, The United States should be as definite and consistent in the application of anti-communist policies as we are in opposing the theories of such policies; and

WHEREAS, Mozambique, formerly a Portuguese colony, and Angola, a former Portuguese colony, and Ethiopia, a monarchy once friendly to the United States now governed by pro-Marxist leaders; and

WHEREAS, The Communist Party of the Soviet Union (CPSU) continues to concentrate its efforts on other nations throughout the world; and

WHEREAS, Communist Parties within Italy and France continue to gain support and seriously challenge other political parties for national control; and

WHEREAS, That realizing our lack of effective resistance to communist aggression will inevitably result in our ultimate encirclement and enslavement; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-

24, 1978, That we strongly protest communist aggression and urge the United States Government to use its influence and persuasive powers to deter further aggression and to prevent any further communist expansion; and, be it further

RESOLVED, That such policies be well publicized and consistently implemented by all agencies of the United States Government.

Resolution No. 296 (Va.) — "Spheres Of Interest Policy"

WHEREAS, Eastern Europe was abandoned to communism because of U.S. adoption of a "Sphere of Interest" policy as determined at Yalta; and

WHEREAS, This "Spheres of Interest" policy is a continuing agreement between the U.S. and the USSR that certain smaller countries be divided between them into "zones of influence;" and

WHEREAS, This agreement with a totalitarian power is a cynical betrayal of the fundamental principles of national self-determination and individual rights; and

WHEREAS, A new foreign policy would give the United States moral leadership of the world; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the President of the United States and the Congress to abandon an amoral "Spheres of Interest" policy and adopt "Self Determination" as the centerpiece of the foreign policy of the United States.

Resolution No. 100 (Mass.) — "Oppose All Forms Of International And Transnational Terrorism," as consolidated with **Resolution Nos. 289** (VA), **408** (TX), and **478** (NC).

WHEREAS, There exists a trans-national terrorist network, supported by the Soviet Union, Cuba, Czechoslovakia and other Communist countries; and

WHEREAS, The network includes Badar-Mein-Hoff gang in West Germany, the Red Brigade in Italy, the MIR in Chile, the Monteneros in Argentina, the PLO in the Middle East, and other Marxist-Leninist groups; and

WHEREAS, Terrorists in the United States such as the Weather Under Ground, the New World Liberation Front, the FALN of Puerto Rican origin have strong links to both the world terrorist network and the Cuban Communist regine; and

WHEREAS, Terrorist support organizations have been established in the United States to provide funds, propaganda, contacts, logistical support, including weapons for this world terrorist network; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the United States Senate and the House of Representatives should re-establish the responsibility for investigating transnational, international and domestic terrorism, and prepare the necessary legislation to give the CIA, the FBI, and other law enforcement agencies the necessary mandates to protect the people of our country from the Communist, organized, international terrorist threat.

Resolution No. 290 (Va.) — "Anti-Terrorist Training"

WHEREAS, The United States has experienced several incidents of acts of terrorists, such as the Hanafis seizure of three Washington buildings a year ago and when the Croation extremists commandeered a TWA airliner in 1976; and

WHEREAS, With the above exceptions the United States has been spared some of the acts of terrorists that have taken place in other countries in recent months; and

WHEREAS, There is no assurance that we will not be subject to such acts of extremists; and

WHEREAS, It is essential that the United States have an overal strategy for dealing with the various kinds of threats posed by terrorism together with special trained forces to handle such acts of terrorism if they occur; and

WHEREAS, According to reports only one detachment of 180 Special Forces troops has received anti-terrorist training; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Administration forthwith develop an overall strategy for dealing with the various kinds of threats posed by terrorists; and, be it further

RESOLVED, That the Administration train a sufficient number of troops capable of coping with terrorist threats around the world; and, be it further

RESOLVED, That we urge Congress to appropriate funds for the training of such special forces to cope with terrorists.

Resolution No. 188 (Wis.) — "United Nations Covenants," as consolidated with **Resolution Nos. 37** (NB), **237** (CA) and **414** (TX).

WHEREAS, The Fourteenth Amendment of the Constitution of the United States of America states — "nor shall any state deprive any person of life, liberty or property without due process of law," and

WHEREAS, President Carter on October 5, 1977 signed the United Nations Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights; and

WHEREAS, In the United Nations Covenant on Economic, Social and Cultural Rights:

Article 4 allows the "state" may subject rights to limitations "solely for the purpose of promoting general welfare in a democratic society"

Article 11 requires governments to assure adequate "food, clothing and housing"

Article 13 grants government control of education and our schools and states all schools must "further the activities of the United Nation" and conform to such standards "as may be laid down by the state;" and

WHEREAS, In the United Nations Covenant on Civil and Political Rights:

Article 50 states — "The provisions of the present Covenant shall extend to all parts of federal states without any limitations or exceptions;" and

WHEREAS, These United Nations Covenants are supported by the Communist and Socialist governments due to their agreement in the goals of total government control and loss of any right to own private property should the federal government deem fit to remove such right; and

WHEREAS, These United Nations Covenants violate the Tenth Amendment of the U.S. Constitution which states:

"Nor shall any State deprive any person of life, liberty or property, without due process of law, nor shall private property be taken for public use without just compensation;" and

WHEREAS, These Covenants will replace our Constitutional rights and protections since Article 6, Clause 2 of the U.S. Constitution states:

"This Constitution and the laws of the United States which shall be made in pursuance therefore, and all treaties made, or which shall be made, under the Authority of the United States, shall be the supreme law of the Land, and the Judges in every State shall be bound thereby, anything the contrary not withstanding; and

WHEREAS, House Joint **Resolution #32** also known as the Bricker Amendment states:

"Section 1. A provision of a treaty which denies or abridges any right enumerated in this Constitution (U.S.) shall not be of any force or effect.

"Section 2. No treaty shall authorize or permit any foreign power or international organization to supervise, control, or adjudicate rights of citizens of the United States . . . or any other matter essentially within domestic jurisdiction of the United States;" now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That The American Legion supports House Joint **Resolution #32** also known as the Bricker Amendment, and deems this resolution necessary to uphold and defend the Constitution of the United States of America from being overridden by treaties which favor a foreign policy which may not be in keeping with the ideas of the Constitution of the United States.

Resolution No. 257 (Ill.) — "Oppose Ratification Of The Universal Declaration Of Human Rights"

WHEREAS, The Constitution and Bill of Rights of the United States gives every citizen the right of ownership to private property alone and in association with others; and

WHEREAS, Jimmy Carter, the President of the United States, has signed a United Nations Human Rights treaty, which if ratified by the Senate of the United States could without certain reservations, understandings and declarations revoke the right of the American citizen to own property; and

WHEREAS, Since December 10, 1948, the initial date of such treaty, no President of the United States has placed his signature upon this document, explaining that Article 17 of the Universal Declaration of Human Rights must be included before the United States could become a party to such treaty; and

WHEREAS, Article 17 of the treaty authorizes the right of the private citizen to own property and is excluded by the vote of the Soviet Union; and

WHEREAS, The American Legion is an Organization of Veterans of Wars fought to defend the right of private ownership and all other rights granted citizens of the United States; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Legislative Commission of The American Legion take immediate action to advise the Senate of the United States that The American Legion opposes ratification of the Universal Declaration of Human Rights without the inclusion of Article 17 or the assurance by treaty of the rights of the private citizen to own private property.

Resolution No. 397 (Texas) — "Resignation Of The United States Ambassador Young To The United Nations," as consolidated with **Resolution No. 134** (IN), amended

WHEREAS, Andrew Young, the U.S. Ambassador to the United Nations, has been a constant source of embarrassment to the government and the people of the United States since his appointment by reason of his many intemperate and ill considered public statements and verbal attacks upon various friendly countries and their representatives and officials, as well as the United States; and

WHEREAS, He has a consistent record of being too loose with the truth in remarks that either contradict the official position of the U.S. government such as American African Policy, or needlessly antagonize those involved, which does not enhance the image of the United States; and

WHEREAS, In an interview with a French newspaper during the week of July 9, 1978, while extremely sensitive negotiations were being conducted by the U.S. Secretary of State and the Soviet Foreign Minister over Human Rights and the SALT II agreement in which the Secretary of State at the U.S. President's request, was expressing the American government's objections to Soviet trials of dissidents in Russia and just prior to important conferences in Bonn, Germany, and London, attended by the U.S. President and Secretary of State, Ambassador Young stated in substance that United States holds hundreds, perhaps thousands of political prisoners in our prisons in comparing the dissidents on trial in the Soviet Union with civil rights workers in the U.S.; and

WHEREAS, In the same interview Ambassador Young expounded the theory that those missionaries slain in Rhodesia were victims, not of terrorists but of "the camp" of Rhodesian Prime Minister Ian Smith; and

WHEREAS, Such irresponsible and inexcusable reckless statements not only indict the United States, and, by inference, forgives the Soviet Union for its harrassment of dissidents, but undermines U.S. policy and provides grist for the Communist propaganda mills; the reaction of the U.S. Secretary of State was reported to be unprintable and the Majority Leader of the U.S. Senate on July 16, 1978, stated publicly: "He has made several irresponsible statements. His latest was of such magnitude that resignation should have been considered . . . ;" now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we strongly urge the President of the United States to demand and accept the immediate resignation of the United States Ambassador to the United Nations, from that office, and should he refuse to resign, that his appointment be terminated without further delay; and, be it further

RESOLVED, That The American Legion calls upon the Congress of the United States to join The American Legion in this action; and, be it further

RESOLVED, That copies of this resolution be forwarded to all members of Congress, to the Secretary of State, and to the President.

Resolution No. 412 (Texas) — "Protective Surveillance Of Vital Documents In The U.S. State Department"

WHEREAS, Protective surveillance of vital documents is necessary; and

WHEREAS, Curators do faithfully guard their documents and do notify the FBI, who in turn, does notify the State Department of persons apprehended for stealing, or attempting to steal, as with Igor Ivanov, who was convicted but allowed to return to the Soviet Union, or in the case of the Soviet operative on July 13, 1977, who gained entry to a restricted area of the Library of Congress in quest of sensitive committee hearings and studies on comparative United States-Soviet military strength; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the President of the United States permanently eliminate from Federal services those employees in the State Department who fail in their duty to safeguard the National Security of the United States; and, be it further

RESOLVED, That this protective safeguard include officials and supervisory personnel responsible for policy-making as well as line employees and sub-professionals involved in pressing extradition charges.

Resolution No. 521 (Foreign Relations Convention Committee) — "The CIA And Foreign Policy"

WHEREAS, The Freedom of Information Act entitles the inhabitants of the U.S., including foreign nationals, to have access to all non-classified, including sensitive, information from the CIA; and

WHEREAS, Such services rendered to such inhabitants cost the U.S. taxpayers an estimated $10,000 annually and approximately 100 man-years; and

WHEREAS, Much of the information available under the said Freedom of Information Act brings aid and comfort to potential enemies of the United States; and

WHEREAS, The names of CIA agents must be released upon such requests, thereby needlessly endangering agents' lives, particularly those serving overseas in critical areas; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the U.S. Congress to amend the Freedom of Information Act to enable the CIA to best serve the foreign policy interests of the United States; and, be it further

RESOLVED, That all sensitive information and data which could damage the national interests of the United States be withheld in order to further the objectives and purposes of United States foreign policies.

Resolution No. 534 (Foreign Relations Convention Committee) — "United Nations Study Panel Report"

WHEREAS, The American Legion has a long and distinguished record of support for the fundamental purposes and goals of the United Nations to promote international harmony and peace; and

WHEREAS, Numerous serious and complex problems have arisen relative to U.S. participation in the United Nations and resolutions have been passed by The American Legion's National Conventions assembled questioning the continued viability of the United Nations itself; and

WHEREAS, As a result of such serious concerns and questions by The American Legion, National Commander William Rogers named a distinguished study panel to do an extensive study on the subject of the United Nations and to report such findings to The American Legion National Convention with such conclusions and recommendations as they deemed in the national interest; and

WHEREAS, Such report has been completed and reported to the National Commander; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, that subject report is hereby received; and, be it further

RESOLVED, That an annual review of United Nations activities be made to The American Legion's Foreign Relations Commission during each National Convention assembled; and, be it further

RESOLVED, That if reasonable progress is not being made in the judgment of the commission to remedy the concerns and meet the recommendations specified by this study, such information and data shall be presented to the membership of The American Legion at its national convention.

Referred Resolutions

Resolution No. 355 (OK) — "Soviet-American Relations"

Resolution No. 410 (Texas) — "Soviet Diplomats"

Report Of The Subcommittee On Far Eastern Affairs

E. Dean Hunter (Colorado) Chairman

Approved Resolutions

Resolution No. 404 (Texas) — "People's Republic Of China (Peking) And Republic Of China (Taiwan)"

WHEREAS, A new era of continuing good relationships has been established between the governments of the United States and the Republic of China (Taiwan) with the inauguration on May 30, 1978 of the Republic of China's new President, Chiang Ching-kuo; and

WHEREAS, It is most important that the United States continue its support of the people and government of the Republic of China (Taiwan); and

WHEREAS, President Carter stated on May 12, 1977, he would move "expeditiously toward normalizing relationships with the People's Republic of China (Peking)," with one reservation: "We don't want to see the Taiwanese people punished or attacked;" and

WHEREAS, Vice Premier Chi Teng-Kuei of Peking stated on May 14, 1977, "From our (Peking) viewpoint, there are certain anti-revolutionary elements in Taiwan. I even believe that liberation may not be possible unless it is a military liberation by our (Peking) efforts;" and

WHEREAS, The People's Republic of China (Peking) is reported to be increasing its Red lobbying efforts throughout the United States; and

WHEREAS, The American Legion is aware of the efforts of the United States business community and the U.S. Governments to improve peace and trade relations with the People's Republic of China (Peking); now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it recommends the U.S. Government continue its efforts to promote peace and trade with the People's Republic of China (Peking), and that it continue to support the Republic of China (Taiwan); under no circumstances should the United States reduce its support to the Republic of China (Taiwan) economically, militarily or psychologically; and, be it further

RESOLVED, That the United States should continue both its diplomatic relationship and its defense treaty commitment with the Republic of China (Taiwan).

Resolution No. 215 (Ohio) — "United States Aid To North Vietnam"

WHEREAS, The United States lost thousands of American Servicemen in the Vietnam War; and

WHEREAS, Our Country to this date has not had a complete accounting of our missing in action personnel and former prisoners of war; and

WHEREAS, North Vietnam was the aggressor nation responsible for these deaths, MIAs and POWs; and

WHEREAS, Tax dollars of American workers and citizens should not be used to rebuilt that Communist nation of Vietnam, now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That it deplores the vote on Tuesday, October 18, 1977, in the House of Representatives in Washington, D.C., which, in effect, will authorize the giving of American tax dollars to North Vietnam; and, be it further

RESOLVED, That our National American Legion Magazine publish the results of any vote to give tax dollars to Red nations.

Resolution No. 23 (N.H.) — "South Korea," as consolidated with **Resolution Nos. 401** (TX) and **452** (DC)

WHEREAS, The Republic of South Korea is one of our few allies in Asia; and

WHEREAS, The presence of United States military forces in South Korea acts as the greatest deterrent to the invasion of South Korea by communist forces; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we call upon the Government of the United States to maintain military forces in South Korea, not only as a deterrent to invasion, but also as a guarantee to Japan, the Philippines and our other Asian allies that we stand firm in our commitments to maintain their status as free nations.

Resolution No. 337 (Alaska) — "Oppose Withdrawal Of U.S. Armed Forces From Asia"

WHEREAS, The Armed forces of the United States stationed in the allied nations of Asia have prevented war in east and northeast Asia for a generation; and

WHEREAS, Withdrawal of the armed forces of the United States from Asia would be highly disruptive of the political, economic and military positions of our allies; and

WHEREAS, Withdrawal of the armed forces of the United States from Asia would increase incalculably the likelihood of war in that area; now, therefore, be it

RESOLVED. By The American Legion, in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we firmly oppose the withdrawal of the armed forces of the United States from Asia and we especially oppose any further withdrawal of those forces from the Republic of Korea or the Republic of China.

Report Of The Subcommittee On Inter-American Affairs

William G. Kaye (Pennsylvania) Chairman

Approved Resolutions

Resolution No. 400 (Texas) — "Cuba," as consolidated with **Resolution Nos. 22** (NH), **55** (AZ), and **450** (DC) (with the omission of Part (2) of the resolving clause)

WHEREAS, Congress is considering new resolutions to restrict the economic, cultural and cooperative relationships with Cuba until such time as Cuba withdraws its forces from Africa and other extra-territorial areas; and

WHEREAS, President Carter has stated that Cuban forces armed with Soviet weapons were involved in the raids of the Katangan rebels against the province of Shaba, resulting in the massacre of hundreds; and

WHEREAS, Successful definance of the United States from the Cuban Stronghold inside the United States' final defense periphery strengthens the image of Communist invincibility and U.S. weakness and encourages further Communist aggression; and

WHEREAS, The Castro regime has been active in sending large numbers of troops to African countries including Angola, Guinea, Guinea Bissau, Equatorial Guinea, Sierra Leone, Congo Brazzaville and Ethiopia; and

WHEREAS, An estimate 42,000 Cuban troops armed with Soviet weapons, are currently committed in numerous African nations supporting Marxist-oriented governments; and

WHEREAS, Fidel Castro received special praise at the 25th Congress of the Communist Party in Moscow for his "transcendental" role in the "liberation struggle" of nations; and

WHEREAS, Fidel Castro declared on December 22, 1973, "We will never renounce our solidarity with Puerto Rico and Angola." And a few days later, offered Panama's General Torrijos the full support of nine million Cubans; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we oppose any actions to establish cooperative policies with Cuba until we have tangible evidence of sufficient duration to determine that the Cuban government is prepared to maintain friendly relations with the United States and is no longer involved in Communist aggression either in Africa, the Western Hemisphere or the nations of other regions; and, be it further

RESOLVED, That we urge the United States to continue its economic boycott of Cuba and oppose any form of diplomatic or commercial relations with the Castro government as long as that government persists in military intervention such as Angola and Ethiopia and interferes in the internal affairs of other nations; and, be it further

RESOLVED, That we call upon the President and the Congress to continue the present policy of no trade with Communist Cuba, and the policy of no diplomatic recognition of the Communist state for as long as it remains the policy of the Cuban Communist regime to retain the many harsh injustices now extant in that unfortunate land and have their armed forces serve under the strategic direction of the Soviet Union.

Resolution No. 399 (Texas) — "Cuba," as amended

WHEREAS, It has been reported by the widely read columnist Paul Scott in the AVALANCHE-JOURNAL, Evening of August 18, 1977, Page 4A, Lubbock, Texas, that President Carter has stopped intelligence overflights over Cuba and had stopped photographs of Cuba from our satellites; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urgently petition the Congress of the United States and President Carter, to cause the immediate resumption of the Intelligence photographing of Cuba by both satellites and overflights, in that the Communists will very likely move atomic missiles and other military hardware into Cuba (during our curtailment of Cuban intelligence imposed by the President) without our intelligence having knowledge or proof of such Communist aggressive action, and to the serious detriment of our national security and defense; and, be it further

RESOLVED, That the United States government, under no circumstances, grant concessions affecting complete control and use of Quantanamo Bay as a United States Naval Base of supreme strategic, as well as political importance, as has been suggested by the Panamanian government.

Resolution No. 17 (North Dakota) — "Panama Canal"

WHEREAS, The National American Legion has opposed and was a leader against the ratification of the Panama Canal Treaties; and

WHEREAS, Officers and Headquarters Staff of the National Organization of The American Legion carried out this most worthy opposition in an orderly, factual, and vigorous manner; and

WHEREAS, The effort did not succeed in its opposition, but did educate and arouse patriotic Americans to once again take a stand for America first; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That this Convention commends the National Officers and staff of The American Legion for their leadership and high regard for the best interests of the United States.

Resolution No. 398 (Texas) — "Implementation Of The Panama Canal Treaties," as consolidated with **Resolution Nos. 112** (KY), **238** (CA) and **292** (VA).

WHEREAS, The recent Panama Canal "giveaway" actions of the Executive Department, and the U.S. Senate on March 16 and April 18, 1978, are not mere negotiations between the United States and Panama but matters of global significance, representing a "Calamitous misjudgment" of the national interest; and

WHEREAS, In the current struggle for world domination, major objectives of Soviet Imperialism have been and still are, the control of "choke" points of Marine Transportation, i.e. the Suez Canal Red Sea route to the Indian Ocean, the Strait of Gilbraltar to the Atlantic, the Strait of Malacca in Southeast Asia, the strategic water routes around Southern Africa and South America, and the Panama Canal; and

WHEREAS, Soviet interest in the Panama Canal traces back many years; and

WHEREAS, On May 24, 1978, the House of Representatives passed by voice vote without opposition an Amendment to the Administration's Military Authorization Bill, HR 10929, which read in part:

"None of the funds authorized to be appropriated for the Department of Defense by this or any other act shall be used directly or indirectly for the purpose of effecting any force reduction or base realignment in the Panama Canal Zone in support of implementation of the Panama Canal Treaties approved by the U.S. Senate on March 16 and April 18, 1978, without a specific act of Congress;" now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the U.S. House of Representatives be encouraged to support its constitutional right to dispose of U.S. property as provided in Article IV, Section III, Clause II of the Constitution; and, be it further

RESOLVED, That the U.S. House of Representatives be urged to continue its dynamic role as "Keeper of the nation's purse" and continue to assert its right to refuse funds which will be required by many agencies of the U.S. Government to implement the Panama Canal Treaties.

Referred Resolution

Resolution No. 453 (DC) — "Implementation Of The Panama Canal Treaties"

Rejected Resolution

Resolution No. 25 "Panama Canal" (NH)

Report Of The Subcommittee On Treaties and Agreements

Keith Baker (Iowa) Chairman

Approved Resolutions

Resolution No. 413 (Texas) — "North Atlantic Treaty Organization (NATO)," as consolidated with **Resolution Nos. 74 (MA), 113 (KY), 287 (VA), 373 (MD) and 475** (NC).

WHEREAS, The American Legion has supported NATO from the day it was established as a collective defense for its members against communist aggression; and

WHEREAS, At the spring 1978 Summit meeting of NATO in Washington, D.C., it was announced that NATO had adopted a Long Term Defense Program (LTDP) calling for a NATO-wide development and production of weapons systems during the period 1978-1983 at a cost estimated between $60.0 and $80.0 billion; and

WHEREAS, Both the defense of Western Europe and vital national interests of the United States require that the North Atlantic Treaty Alliance maintain a high degree of military preparedness to offset the military potential of the Warsaw Pact Nations; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we fully support the Long Term Defense Program as approved by all NATO's members at the 1978 Summit meeting; and, be it further

RESOLVED, That we urge the resumption of full cooperation among all members of NATO in all aspects of defense, in order to increase NATO's credibility for deterrence and the defense of all its members; and, be it further

RESOLVED, That we strongly urge all NATO bases be made fully operational without restrictions, and that all countries be provided the necessary arms to protect all NATO's boundaries including the Northern Flank, the Central Regions and the Southern Flank.

Resolution No. 455 — "North Atlantic Treaty Organization (NATO)"

WHEREAS, The Warsaw Pact forces outnumber and outgun the NATO forces including the United States reinforcement capability; and

WHEREAS, For years the military weapons systems of the Warsaw Pact have been qualitatively upgraded to the point where knowledgeable NATO experts concede to the conventional Warsaw Pact forces an unacceptable margin of qualitative superiority in certain key weapons systems areas; and

WHEREAS, The same unacceptable Warsaw Pact margin of superiority is fast becoming a fact in the strategic nuclear weapons system field; and

WHEREAS, The rapid and qualitative growth of the naval and air arms, strategic and conventional, of the Warsaw Pact will soon provide an unacceptable margin of superiority in any world-wide application; and

WHEREAS, The prime capability of the Free World forces to counter this growing margin of Warsaw Pact superiority is the technological ability of the United States to develop and produce better weapons systems such as the B-1 bomber, cruise missile, and neutron warhead; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Congress of the United States to authorize and appropriate funds and direct the development and production of the B-1 bomber, cruise missile, neutron warhead, and any other modern weaponry systems necessary to obtain and maintain a qualitative superiority over the Warsaw Pact forces.

Resolution No. 409 (Texas) — "Strategic Arms Limitation Treaty," as consolidated with **Resolution Nos. 72** (MA), **86** (MT), **111** (KY), **239** (CA), **285** (VA), **329** (MO), **372** (MD), **454** (DC) and **480** (NC).

WHEREAS, The American Legion recognizes the desirability of limiting the development and deployment of strategic nuclear arms, providing the limitations do not bring a strategic imbalance which could threaten the security of the United States; and

WHEREAS, The SALT talks between the U.S. and Soviet Russia continue with the Soviet standing firm on the critical issues that have stymied the negotiations for nearly three years; and

WHEREAS, This intransigence was demonstrated by the fullpage editorial in the mid-February issues of the official newspaper, Pravda, with this uncompromising message: "Concessions by the United States and not the Soviet Union are imperative if there is to be an Arms Agreement;" and

WHEREAS, The lack of a coherent and consistent policy of detente in Washington encourages the Soviets to go on pressing their global challenge with even greater vigor as the Administration's policy in dealing with Russia remains vacillating and confused; and

WHEREAS, General George S. Brown, Former Chairman of the Joint Chiefs of Staff, expressed the Administration's misgivings when he told Congress: "I am struck by the fact that in nearly every area of military strength there has been relative U.S. decline over the years in relation to the Soviet Union, our principal potential adversary; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we support any SALT agreement which is genuinely equitable, one which actually halts the nuclear arms race, reduces tensions and guarantees compliance by both sides with an onsite inspection of all nuclear facilities; and, be it further

RESOLVED, That we urge the U.S. Government to develop and maintain the TRIAD of nuclear strategy power from U.S. land, sea and air bases sufficient to deter nuclear war, and failing that, to eliminate all nuclear launching capabilities of the aggressor; and, be it further

RESOLVED, That the United States Government adopt a clear and convincing policy that it will not agree to any Strategic Arms Limitations Agreement which makes the United States inferior in (a) quantitative factors of nuclear weapons systems such as numbers of launchers, amounts of megatonnage, and numbers of deliverable warheads; (b) qualitative factors such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range; and (c) geographical factors bearing on the effectiveness of nuclear weapons systems; and, be it finally

RESOLVED, That the U.S. Government revoke the "no-strike" first pledge of the SALT I Agreement.

Resolution No. 415 (Texas) — "Genocide Convention Treaty"

WHEREAS, In 1940 the word genocide was devised from the Greek word "genos" (meaning race or tribe) and the Latin suffix "cide" (meaning killing), hence Genocide means the killing of a race; and

WHEREAS, Americans abhor this practice which is exemplified by Hitler and the Jews; Russia and its own citizens, Polish Officers in Katyn Forest, the educated class in Poland, Lithuania, Latvia, Estonia; likewise Chinese Communists' activity in Tibet; and

WHEREAS, This Genocide Convention, upon the Soviets' insistence does not protect these "political" groups but does apply to individuals of signatory countries (USA if ratified by the Senate) who can be charged with "mental harm" to another individual because of race, religion or nationality; and

WHEREAS, This individual can be tried in the court of his own land but even if exonerated the Genocide Treaty provides for him to be brought before an international court in a foreign land without the protection of the Constitution of the United States; and

WHEREAS, This is double jeopardy and could apply from the President to the lowest citizen to be extradited and tried in a foreign country and in a foreign court on charges of Genocide; and

WHEREAS, Treaties and conventions have in the United States always been limited to dealings with a foreign nation with regard to matters of international concern and not to restrict the American people in their purely internal concerns; and

WHEREAS, This Convention has no effect on nations but applies only to individuals; it violates this test of Constitutionality; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we oppose the Genocide Convention which the Senate is about to have presented to it for debate; and, be it further

RESOLVED, That all United States Senators be furnished a copy and advised of its passage.

Received and Recorded Resolutions

Resolution No. 214 (OH) — "Greece and Turkey"
Resolution No. 403 (TX) — "Greece and Turkey"

Rejected Resolutions

Resolution No. 59 (AZ) — "SALT II"
Resolution No. 216 (OH) — "SALT II Treaty Proposals

Report Of The Subcommittee on African Affairs

Dr. Robert P. Foster (Missouri) Chairman

Approved Resolutions

Resolution No. 16 (North Dakota) — "South Africa"

WHEREAS, South Africa and Southwestern Africa and Rhodesia are nations founded on laws based on the Christian ethic of orderly governments as found in western civilizations; and

WHEREAS, The governments of these nations have governments similar to our own; and

WHEREAS, Rhodesia contains 85% of all the chromite ore in the world; Southwest Africa being rich in diamonds; and South Africa has 85% of all the world's gold productivity; and

WHEREAS, These countries in the southern tip of Africa contain 49 minerals of the world, and the tip of Africa is the richest area of the world in mineral wealth; and

WHEREAS, Other vast mineral deposits include: copper, vanadium, tungsten, nickel, uranium (the richest and purest in the world), iron ore, asbestos, plus some 42 other minerals; and

WHEREAS, Gold in ancient times and up to the present day, has always been a medium of exchange, and our government recently sold 12,500 pounds of our precious gold and will do so at six months' intervals for the next 4½ years, thus depleting our supplies to the lowest point ever; and

WHEREAS, The so-called "human rights" campaign as advocated by United Nations Ambassador Andrew Young and President James Carter means the dismemberment of the governments of these nations; and

WHEREAS, Atrocities in Southern Africa are perpetrated by negro against negro, with weapons coming from the communist occupied nations of China, Russia, East Germany and similar dictatorial Marxist nations; and

WHEREAS, The negro in Rhodesia and South Africa is nearly 85% literate, while other areas in Africa have a 5% literacy rate; and

WHEREAS, In Rhodesia alone, 65% of the militia are negro, and are there on a voluntary basis; and

WHEREAS, The southern tip of Africa is vital for control of shipping lanes carrying oil to our nation along this route, and must be preserved by the present friendly governments of these nations holding out against the Marxist conspiracy; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we be on record as opposing the forces of Marxism and communism in Africa and urge immediate action in demanding the President, the State Department, the Congress, and those participating in America's foreign policy change these policies friendly to America's enemies, and support the governments of Rhodesia, Southwest Africa and South Africa, each action being considered in the best national interests of the United States.

Resolution No. 402 (Texas) — "South Africa" as consolidated with **Resolution Nos. 69** (MA), **286** (VA) and **482** (NC).

WHEREAS, The Republic of South Africa is now embarked on a national policy to provide self-determination and independence to the peoples of common heritage, traditions and cultures; and

WHEREAS, The Republic of Boputhatswana and the Republic of Transkei have been granted independence to the Republic of South Africa and both these nations are now completely independent and sovereign nations; and

WHEREAS, Namibia in southwest Africa is steadily moving toward full and complete self-determination in accordance with the publicly stated policy of the Republic of South Africa; and

WHEREAS, Within 10 years, South Africa is expected to replace Canada as the Western world's second largest producer of uranium and other minerals; and

WHEREAS, South Africa's gold mines produce over 50% of the noncommunist supply and this gold is a major source of the current reserves of the world's trading nations; and

WHEREAS, Although the country represents only 6% of Africa's land area, the Republic of South Africa produces over 40% of Africa's entire industrial products and 25% of all Africa's agricultural production; and

WHEREAS, The Republic of South Africa represents a key country in the Soviet plan to recolonize Africa, under the Soviet sphere of influence; and

WHEREAS, Soviet propaganda makes no secret of its effort to set up a constellation of pro-Soviet Marxist states throughout Africa; and

WHEREAS, Pro-Marxist governments have been recently established in Ethiopia, Angola and Mozambique, with the military assistance of Soviet Russia's puppet Cuba, and brutal raids have been made in Shaba province of Zaire killing 1,000 innocent persons, black and white alike; and

WHEREAS, The Soviet Union is amply endowed with raw materials and Soviet leaders now wish to combine the mineral resources of South Africa with their own and either deny these minerals to other non-communist nations or sell them at Soviet prices; and

WHEREAS, Soviet intelligence operations are still expanding in African areas with more than 1,000 KGB-types operating in 35 African countries, and

WHEREAS, 60% of Western Europe's and U.S. oil supplies pass around the Cape of Good Hope annually, making these waters of strategic importance to the recipient nations; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the United States to assist the Republic of South Africa, politically and militarily in repulsing the spread of communist imperialism on the African Continent; and, be it further

RESOLVED, That as a part of this military cooperation, the United States reintroduce regular naval maneuvers with the South African navy and fully utilize South African port facilities including the former British naval base at Simonstown; and, be it further

RESOLVED, That the United States Government should encourage American investment in the Republic of South Africa to assure continued and expanding American access to vital raw materials including, but not limited to, gold, chromium, iron, vanadium, copper, lead, zinc, cobalt and industrial diamonds; and, be it further

RESOLVED, That American investments should also be encouraged in other fields of agriculture and commerce to assure continued American influence in the economic affairs of the Republic of South Africa, and that the United States Government should adopt an even handed policy with respect to the Republic of South Africa in the field of human rights — specifically the Republic of South Africa should be held to no different standards than those applied to any other country in Africa or elsewhere; and, be it finally

RESOLVED, That we encourage and support an urgent nationwide educational program on the increasing importance of the economic, political and military significance of the Republic of South Africa to the national interests of the United States.

Resolution No. 293 (Virginia) — "Rhodesia," as consolidated with **Resolution Nos. 70** (MA), **405**, (TX) and **476** (NC).

WHEREAS, Rhodesia has reached a peaceful internal settlement which provides for one-man one-vote and majority rule; and

WHEREAS, Rhodesia, by accepting a peaceful internal settlement, is now administered by an executive council consisting of Chief Chirau, Chief Sithole, Bishop Muzorewa, and Prime Minister Smith with each decision requiring unanimous consent; and

WHEREAS, The internal settlement also provides that Rhodesia remain a democracy under a free enterprise system, and the internal settlement has been fully accepted by large segments of the U.S. as well as many of our political leaders; and

WHEREAS, The internal settlement makes it possible for Rhodesia to remain pro-Western and anti-communist, opposing all forms of Marxism-Socialism as well as international terrorism; and

WHEREAS, The internal settlement provides that the Western bloc countries including the United States now have full access to Rhodesia's vast mineral resources, including the critical ore for stainless steel products, metallurgical chromite; and

WHEREAS, Western Germany, France and the UK as well as other non-communist governments are expanding their trading patterns to include Rhodesia; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the United States fully endorse the Rhodesian internal settlement establishing one-man one-vote and majority rule; and, be it further

RESOLVED, That the U.S. Government make it illegal to enforce or honor U.N. sanctions against Rhodesia.

Resolution No. 522 (Foreign Relations Convention Committee) — "Angolan — Southwest African Hydroelectric Plant and Dam"

WHEREAS, There currently exists a hydroelectric plant in Angola and Southwest Africa with the capability to produce power and water for two nations, Southwest Africa (Namibia), and Angola; and

WHEREAS, Hundreds of thousands of persons living in these two countries are dependent on power and water from said hydroelectric project; and

WHEREAS, Humanitarian considerations would be best served in making this power and water available to all people; and

WHEREAS, The light, power and water systems of said project were disrupted by violent action; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we call on the U.S. Government to enlist the support of the United Nations and all nations believing in human rights and the betterment of mankind to reactivate the facilities of the hydroelectric project as a proper humanitarian act and in the best interests of all nations and people living in that region of Africa.

Received and Recorded Resolutions

Resolution No. 57 (AZ) — "Horn of Africa Conflict"
Resolution No. 58 (AZ) — "South Africa"

Report of the Subcommittee on Middle East Affairs

J. Alvis Carver (North Carolina) Chairman

Approved Resolution

Resolution No. 477 (NC) — "Persian Gulf States, as consolidated with **Resolution Nos. 71** (MA) and **406** (TX).

WHEREAS, The nations surrounding the persian Gulf are becoming increasingly important to the strategic and economic interests of the U.S. with their total financial reserves already exceeding $50 billion and expected to exceed that figure several times by 1980; and

WHEREAS, The U.S. now imports approximately 30% of our oil and petroleum products from the Persian Gulf states and U.S. economists project that as U.S. oil consumptions increase so will the need for increased imports from that area; and

WHEREAS, The United States has already initiated extensive technical assistance programs with Iran and Saudi Arabia on a fully reimbursable basis, and is involved to a lesser extent with other nations of the area with a view toward modernizing all the Persian Gulf states into a complex of financial, educational, industrial, and commercial assets which will outlast the date of their petroleum reserves; and

WHEREAS, It is in the mutual interests of the United States and all the oil producing nations to promote policies of restraint, friendship and cooperation; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we support the new basis of cooperation and friendship with the oil producing nations which is based on economic interdependence and a mutual need for peaceful and constructive relationship between the United States and the Persian Gulf states.

The report was adopted.

REPORT OF COMMITTEE ON CONSTITUTIONAL AMENDMENTS

Francis L. Giordano (New York) Chairman

This Committee on Constitutional Amendments met at 10:00 A.M., Sunday, August 20 and Monday, August 21, in the Royale Room of the Hyatt Regency Hotel. Forty-seven members of the Committee on Constitutional Amendments were present. The following report was agreed upon by the members and is submitted for your consideration as delegates to this Convention.

The meeting was opened by National Judge Advocate Bertram G. Davis (N.Y.), who acted as temporary chairman. The roll call indicated that a quorum was present. Judge Advocate Davis then proceeded to the first order of business which was the election of a permanent chairman and secretary. Francis L. Giordana (N.Y.), was duly elected Chairman and Melvin Heckman (Ind.) was duly elected Secretary, thereupon they assumed their respective places.

The first resolution to be considered was **Resolution No. 48** (Mo.). This resolution sought to extend the dates for membership in The American Legion from December 7, 1941 to June 1, 1975. The resolution sought to amend the National Constitution and By-Laws of The American Legion and the Federal Act incorporating The American Legion so that peacetime veterans and wartime veterans who served during any wars or hostilities in which the United States was engaged would become eligible for membership in The American Legion. A motion was made by Paul Rodden (Colo.), and seconded by Robert Gregg (Mo.) to adopt the resolution. After a short discussion on the resolution a motion was made by Robert Gregg (Mo.) and seconded by Ellwood C. Wells (D.C.) that the date, June 1, 1975, be changed to May 7, 1975, to conform to the present terminal date for the Vietnam era conflict. The motion to amend the resolution by diminishing the dates of the original resolution was ruled in order by the Chairman and was unanimously adopted. The Committee then proceeded to consider the said resolution, as amended, that is that the dates for eligibility for membership in The American Legion should be from December 7, 1941, to May 7, 1975. After considerable discussion a roll call vote was taken and the motion to adopt was defeated by a vote of 37 to 8. A motion was thereafter made by Leon Reed (Ark.) and seconded by John Wienand (Ala.) that the resolution be rejected. The resolution was thereupon rejected.

By-Laws of The American Legion and the Federal Act incorporating The American Legion so that the present dates for membership in The American Legion for the Vietnam period of conflict which are August 5, 1964 to May 7, 1975 be changed to July 1, 1958 to May 7, 1975. A motion was made by John J. Wicker, Jr. (Va.) and seconded by John Wienand (Ala.) that the resolution be rejected. The motion to reject was adopted.

Resolution No. 359 (Wash.) was the next resolution brought up for discussion. The Chair ruled that this resolution was not in proper form to be considered as a constitutional amendment and therefore ruled **Resolution No. 359** (Wash.) out of order.

Resolution No. 360 (Tex.) was the next order of business for consideration by the Committee. This resolution sought to change the status of the Law and Order Committee to that of Law and Order Commission. The only purport of this resolution would be that the Law and Order Committee would not be part of the National Security Commission but would be a separate commission. A motion was made by John Weinand (Ala.) and seconded by Leon Reed (Ark.) that the resolution be rejected. The resolution was

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rejected with one delegate, Joe Matthews (Tex.) voting against the rejection of the resolution.

Resolution No. 381 (Tex.) was next considered. This resolution sought to amend the eligibility for membership dates of The American Legion so that the present eligibility dates of August 5, 1964 to May 7, 1975, be amended so that eligibility for membership in The American Legion would be from December 22, 1961 to May 7, 1975. A motion was made by Leo F. Malloy (Mass.) and seconded by Ed Farr (Neb.) that the resolution be rejected. The motion to reject was unanimously adopted.

Resolution Numbers 429 (Colo.) and **446** (D.C.) had been received too late by National Headquarters to be circulated as required by Article XV, Section 1, of the National Constitution and therefore could not be considered by the Committee.

There being no further business to be considered by the Committee on August 20, a motion was made by Mike Cvetan (Pa.) and seconded by Richard Goforth (La.) that the Committee stand adjourned. The motion was unanimously adopted.

The report was adopted.

NATIONAL COMMANDER SMITH: Is there any further business to come before this session of the 60th Annual Convention?

Delegates, will you join me in saluting the Colors.

(The delegates saluted the Colors).

NATIONAL COMMANDER SMITH: The Convention will stand in recess until 9:00 A.M., August 24, tomorrow morning.

(At 2:37 P.M., the Convention recessed).

THURSDAY SESSION — August 24, 1978

. . . Prior to the opening of the Convention the delegates were entertained with organ selections by Peter Ole.

. . . The Convention was called to order by National Commander Robert Charles Smith at 9:00 a.m.

NATIONAL COMMANDER SMITH: The Convention will come to order.

The delegates will salute the Colors.

(The Colors having already been in place, the delegates saluted the Colors.)

National Chaplain Father Walter Power will deliver the Invocation.

INVOCATION

Reverend Father Walter Power (Maryland)
National Chaplain

Although we are in the waning days of our deliberations, Father, You know, it is the never-ending work of love and joy and responsibility that we here undertake, and that the work that is done during these days here in New Orleans will be taken up and carried on and prosecuted vigorously by those into whose hands Your officers will give this charge.

We feel enlightened, therefore, because of what You have already done in the way of enlightening and strengthening and confirming our resolutions to our veterans and their families, and to our National security, that indeed peace is an attainable goal, and that with our organization, The American Legion this can be gotten, and maintained and held, because each one of us holds dearly to Thee, and to our Country.

We ask You to continue then Your manifold blessings upon all of us here through Christ our Lord, Amen.

NATIONAL COMMANDER SMITH: The Chair recognizes Mr. Francis P. Kane of Illinois, Chairman of the National Security Committee for the purpose of making a report.

REPORT OF CONVENTION COMMITTEE ON NATIONAL SECURITY

Francis P. Kane (Illinois) Chairman

At 10:00 a.m. on August 20, 1978, 250 delegates assigned to the Convention Committee on Security met initially in the Grand Salon of the New Orleans Hilton Hotel. Francis P. Kane (Illinois) was selected Chairman and H. Vincent Strout (Massachusetts) was appointed Secretary.

The five authorized Convention Committees, Aerospace, Defense Civil Preparedness, Merchant Marine, Military Affairs and Naval Affairs, met in separate but adjoining rooms following roll call. Two additional ad hoc committees were appointed for Law and Order resolutions and for general Security resolutions which required special attention. These committees will report to the Convention on the resolutions assigned to them. The following were elected Chairmen and Secretaries of the Convention Security Committees:

Aerospace
Chairman, Noah L. Smalley (Florida)
Secretary, Henry G. Jacoby (Nebraska)

Defense Civil Preparedness
Chairman, Hugh B. Mott (Tennessee)
Secretary, Charles F. Trowbridge (Connecticut)

Merchant Marine
Chairman, William D. Horan (New York)
Secretary, Vern Hill (Washington)

Military Affairs
Chairman, Donald Hildebrand (Tennessee)
Secretary, Fred Livingston (District of Columbia)

Naval Affairs
Chairman, John J. Wrenn (Massachusetts)
Secretary, Murray B. York (Virginia)

On Tuesday, August 22, 1978, at 9:00 a.m., the delegates reassembled for a final meeting of the Convention Committee on Security. Reports of all Convention Committees were read and their recommended action on resolutions considered. A total of 111 resolutions were assigned to the Convention Committee on Security or prepared by the Committee to meet problems which were held to be of concern to The American Legion and germane to its principles and objectives.

Pre-Convention Briefings

Ninety-two members of the Security Commission attended pre-Convention briefings at the National Space Technological Center at Bay St. Louis, Mississippi, on August 17-18 where new space booster engines are tested. Some time ago, NASA had invited other governmental research agencies to locate at Bay St. Louis to share their extensive laboratories and test facilities. Twenty-two agencies have located there and continue their work in research, saving the taxpayers hundreds of millions of dollars by using common facilities.

The U.S. Coast Guard is probing weather systems, locating small craft and warning people in the path of bad weather. Collateral benefits are the migrating habits of fish and shrimps as aids to fishermen. The U.S. Navy is studying the ocean at various depths to make detection of enemy submarines more readily available to our Navy. National Oceanographic is studying ocean floor mining potential.

EPA is making water and sewage waste analyses and progress is reported. Water canals are being cleared and fish life regenerated. The hyacinth has been found to absorb waste and waste by-products such as lead, cadmium and phosphates. Spinoff product from NASA has been medical aids such as telemetric transmission of cardiac tests so that doctors at receiving stations can advise paramedics on treatment until the patient can be brought into the hospital for treatment. Other innovations for use in medicine, physical sciences, health care are being developed and much hope is looked for in the future.

NSTL is a prime example of the reutilization of facilities and equipment since it has continued to be used for a multitude of new programs after completion of its primary mission, testing of the Apollo Saturn V moon rockets.

On August 19, 1978, approximately 475 Commission and Committee members, delegates and guests met in the Grand Salon of the Hilton Hotel to hear the following speakers:

Mr. Robert E. Shuck, Director
Selective Service System

R. Admiral James A. Sagerholm, USN
Director, Office of Program Appraisal
Office of the Secretary of the Navy

Mr. Donald W. Moore, Jr., Assistant Director
Federal Bureau of Investigation

Maj. Gen. John K. Singlaub, USA (Retired)

Mr. John F. Blake, Deputy Director,
Administration
Central Intelligence Agency

We were especially honored to have National Commander Robert Charles Smith appear before the Commission to introduce one of our distinguished guests, Major General John Kirk Singlaub, U.S. Army, Retired. We were also honored by the presence of John Barber, Selective Service System, and Nancy Collins, Office of Public Relations, Defense Civil Preparedness Agency.

Their special expertise was of invaluable assistance to the Convention Security Commission.

We also extend our special sincere appreciation to the military officers from the Pentagon in Washington, D.C., who serve as liaison to our Commission: Maj. Leo Andrew, Department of Defense; Lt. Col. Ralph Egenmaier, USA; and Lt. Cdr. Donald Lewis, USN.

Without the dedicated work of the Committee Chairmen, Secretaries and members of the Convention Committee, the following reports could not have been prepared. Our special thanks go out to the staff of the National Security Division: G. Michael Schlee, Director; James B. Hubbard, Assistant Director; Spencer H. Leopard, Research Analyst; and last but by no means least, Miss June B. Bancroft, Secretary. To all of them, I extend my sincere appreciation.

Security

Approved Resolutions

Resolution No. 115 (Kentucky) — "Commending The Coalition Of Peace Through Strength For Its Efforts To Educate The American People Of The Need For A Strong Defense"

WHEREAS, World affairs are still in a very unsettled state and the means to assure the right of self-government to all nations by peaceful means has not been achieved; and

WHEREAS, Military strength presently remains the most reliable means of preserving peace and freedom; and

WHEREAS, The quantitative military balance since 1965 has shifted substantially in favor of the Soviet Union; and

WHEREAS, The American Legion has constantly urged the restoration of the United States to a position of world military superiority and the display of a collective America will to achieve this vital objective; and

WHEREAS, The American Legion bears a responsibility to continue to alert its entire membership and the Nation of these facts which imperil our very survival; and

WHEREAS, The Coalition of Peace Through Strength is a project conceived and coordinated by the American Security Council which is consistent with The American Legion's aims and objectives and is intended to inform the American public that our Nation is rapidly becoming a second-rate military power; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we applaud the Coalition of Peace Through Strength for its efforts to educate the American people of the need for a strong defense.

Resolution No. 330 (Missouri) as amended and consolidated with **Resolution No. 390** (Md.) — "Commend Major General Singlaub For His Actions In Behalf Of Our Country"

WHEREAS, The American Legion has endorsed a strong military posture in all areas of the world; and

WHEREAS, Major General Singlaub, USA (Retired), did publicly voice these same thoughts which resulted in his premature retirement; and

WHEREAS, We concur in the principle of civilian control of the military; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we commend General Singlaub for his strong position on national defense, and recommend that a copy of this resolution be forwarded to him.

Resolution No. 457 (D.C.) as consolidated with **Resolution No. 27** (N.H.), **142** (Minn.), **241** (Calif.), **260** (Ill.) and **29** (N.H.) — "National Defense"

WHEREAS, The United States must at all times maintain a military force adequate to protect the Nation, its citizens and our vital national interests; and

WHEREAS, The USSR continues to improve the size and readiness of its military forces; and

WHEREAS, The United States has made a drastic reduction in its military forces since the Vietnam era and has had great difficulty maintaining stability and readiness in the currently limited force structure; and

WHEREAS, NATO forces, including those from the United States, are far outnumbered by the Warsaw Pact forces, and we are unilaterally reducing our Army elements in Korea; and

WHEREAS, The funding considered by the Administration and the Congress in the current defense budget provides only for minimum forces based on assumptions of limited requirements for short time periods; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Administration and the Congress to develop a defense program adequate to meet the threat posed by plans and actions of communist nations throughout the world, and to authorize and appropriate sufficient funds to provide the forces to support such a program.

Referred Resolution

Resolution No. 458 (D.C.) — "Commend Maj. Gen. Singlaub For His Actions In Behalf Of Our Country"

Resolution No. 355 (Oklahoma) — "Military Strength"

Law and Order Subcommittee

Approved Resolutions

Resolution No. 262 (Ill.) as amended and consolidated with **Resolution Nos. 26** (N.H.); **99** (Me.); **105** (Idaho); **240** (Calif.); **368** (Wash.) and **419** (Texas) — "Firearms Legislation"

WHEREAS, The American Legion has maintained a consistent stand against Federal gun registration and the harassment of law abiding gun owners in support of the basic Constitutional right to keep and bear arms; and

WHEREAS, It has never been demonstrated that gun registration in any way reduces crime; and

WHEREAS, Our forefathers envisioned that the right of an individual American to keep and bear arms was a protection of our precious freedom against those who might attempt to bring our Country under the tyranny of a dictator; and

WHEREAS, An armed citizenry contributes to a nation's national defense; and

WHEREAS, The Supreme Court has upheld as Constitutional the provision of the 1968 Federal Gun Legislation which mandates one to three year prison terms for those persons possessing guns and ammunition who have previously served a sentence of one year or more in prison; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we call upon law enforcement officials to strictly enforce the Federal Gun Legislation as it applied to convicted persons; and, be it further

RESOLVED, That The American Legion reiterate and reaffirm its opposition to gun registration and the harassment of law abiding gun owners and call upon the Congress to cease pursuing the enactmet of such laws; and, be it finally

RESOLVED, That The American Legion once again go on record in favor of mandatory jail sentences and capital punishment for those who commit crimes and kill with guns.

Resolution No. 367 (Va.) as amended and consolidated with **Resolution No. 416** (Texas) — "Crime Resistance Program"

WHEREAS, The FBI, in conjunction with the Police Foundation, is continuing a program seeking to mobilize greater citizenship involvement in efforts to resist crime; and

WHEREAS, It is hoped that successful efforts will be obtained through the program and expanded and copied by communities in designing their own self-help crime resistance program to curb the spiraling increase in crime; and

WHEREAS, The American Legion has dedicated itself to service in the community, state and Nation and wholeheartedly believes that this Nation must be a Nation of law and order or become a Country bordering on chaos; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we commend the FBI, the Police Foundation and the Police Departments involved for the implementation of the Crime Resistance Program and urge the participation of each Post and Department throughout the United States in The American Legion efforts on behalf of crime resistance, and, be it further

RESOLVED, That The American Legion's Crime Resistance Program booklet be distributed by each American Lgion Post to civic organizations and law enforcement officials for dissemination to American citizens.

Referred Resolutions

Resolution No. 38 (Neb.) — "National Junior FBI Law And Order Program"

Aerospace Committee

Noah L. Smalley (Florida) Chairman

The Aerospace Committee met on August 20 and 21. Noah L. Smalley of Florida was elected Chairman and Henry G. Jacoby of Nebraska was appointed Secretary. We considered a total of 31 resolutions, and this is the action from that Committee.

Approved Resolutions

Resolution No. 7 (Florida) as consolidated with **Resolution No. 376** (Md.) — "Future Of America's Space Program"

WHEREAS, The United States has gained an overwhelming leadership over all other countries in space exploration and use; and

WHEREAS, The United States including the general public and private industry have become dependent on space projects and programs relating to communications, weather forecasting, navigation, oil and land resource studies, solar energy research and agricultural studies, communication systems and space science technology; and

WHEREAS, The National Aeronautics and Space Administration annual budgets in the past years have been consistently reduced and the constant-level approach has not been consistent; and

WHEREAS, NASA's past programs have returned to the taxpayer more than was invested in real growth to the economy, in jobs, in technology (both aerospace and non-aerospace and medical programs) and the most effective utilization of the scientific and engineering resources of the United States and NASA's actions in leadership for installing efficiencies within all programs, strict budgetary controls and the reutilization of facilities and equipment designed and used in previous programs have reflected leadership that other government agencies could use as an example; and

WHEREAS, The Soviet Union, Japan and numerous European countries have made significant strides in their space programs which are currently approaching the leadership in space programs established by the United States; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Congress of the United States is urged to continue their full support by providing adequate funds to the National Aeronautics and Space Administration to assure America's leadership in world space exploration and use.

Resolution No. 377 (Md.) as consolidated with **Resolution Nos. 182** (Pa.) and **298** (Va.).

WHEREAS, The cornerstone of our strategic forces in the Triad, a combination of land and sea based ICBMs and long-range strategic bombers; and

WHEREAS, Bombers currently carry over 50% of U.S. strategic nuclear megatonnage and about 30% of U.S. strategic nuclear warheads; and

WHEREAS, The Air Launched Cruise Missile (ALCM) is being developed as an adjunct to the penetrating bomber with a view of enhancing the effectiveness of our manned bomber forces in the 1980s and 1990s; and

WHEREAS, The cruise missile has become an even more important element in Air Force future strategic planning as a result of the B-1 decisions; and

WHEREAS, The ALCM is being designed for both internal and external carriage in the B-52 and carriage in large numbers in a wide bodied cruise missile carrier aircraft; and

WHEREAS, Employment of the ALCMs on the B-52s will provide a cost-effective solution to maintaining the capability of these aircraft during the mid-1980s when the Soviet air defenses are projected to increase; and

WHEREAS, The ALCMs will increase the "foot print" of the bomber force by allowing greater flexibility in routing and target coverage while diluting the effectiveness of area air defenses; and

WHEREAS, By insuring the continued strength of the air-breathing Triad component, the cruise missile will enhance strategic stability; and

WHEREAS, The ALCM has completed a successful advanced development program, and plans have been developed to have a competitive fly-off of missiles produced by the competing contractors; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Department of Defense to request, and the Congress to approve, the funds and deployment of these cruise missiles necessary to upgrade the nuclear deterrent capabilities of the United States.

Resolution No. 181 (Pa.) as consolidated with **Resolution Nos. 301** (Va.), **303** (Va.), **378** (Md.) and 379 (Md.) — "M-X Missile"

WHEREAS, Under the provisions of the interim SALT agreement, Soviet strategic forces are numerically superior to those of the United States and the Soviets deploy three times the missile throw-weight of comparable U.S. forces; and

WHEREAS, Except for the size of ICBM silos, the interim SALT agreement places no significant constraints on the qualitative characteristics of the missiles or the launchers nor does it restrict the development of land-based mobile ICBMs; and

WHEREAS, The Soviet Union has initiated new ICBM programs representing a massive effort in the form of new missiles, new bus-type dispensing systems; new MIRVed payloads, new guidance systems; new type silos; new launch techniques and probably new warheads; and

WHEREAS, Operational flight tests of ICBMs from operational silos are routinely conducted by the Soviet Union and they apparently have developed a land-based mobile missile, although they apparently have not deployed it in its mobile mode at this time; and

WHEREAS, Faced with such Soviet technological advances, it is critical to the future deterrent posture of the U.S. that a vigorous program of research and development be undertaken to maintain technological superiority in strategic weapons; and

WHEREAS, The Air Force has undertaken programs to improve the accuracy, yield and survivability of its Minuteman missiles including improved guidance and propulsion, Mark 12A to increase the warhead yield, and hardening of the silos; and

WHEREAS, In the long run the M-X missile which is currently in development provides the most promising ICBM initiative for preserving essential equivalence; and

WHEREAS, Survivability is a dominant concern in the M-X ICBM modernization program; and

WHEREAS, The American Legion is vitally concerned in the defense posture of the United States; and

WHEREAS, The Minuteman missile force is an integral part of this defense; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Administration and the Congress fully support all Air Force programs designed to improve the accuracy, survivability, retargeting capability, and yield of our Minuteman force as an integral part of our TRIAD concept; and, be it further

RESOLVED, That the Administration and the Congress be urged to provide full support to Air Force efforts to develop the M-X missile as expeditiously as possible to insure that the U.S. does not allow the Soviet Union to achieve a position of strategic superiority inimicable to our national security interests.

Resolution No. 183 (Pa.) as consolidated with **Resolution No. 297** (Va.) — "Airborne Warning And Control System Programs"

WHEREAS, Future demands on our surveillance, warning and control capabilities in support of tactical air operations, particularly in the context of a European conflict, will be quite severe; and

WHEREAS, An AWACS system has been developed by the Air Force consisting of an advanced radar system mounted in a Boeing 707 E-3A airplane with associated data processing and communication equipment; and

WHEREAS, The Secretary of the Air Force and Chief of Staff have stated that the AWACS program is the "number one general purpose forces program" and no other system in recent history has offered the opportunity to enhance such a diverse array of deterrent or combat activities; and

WHEREAS, The fundamental requirement for the E-3A is driven by the rapidly growing ability of Soviet-built aircraft to penetrate defenses at very low altitudes, beneath or screened from the view of ground radar systems; and

WHEREAS, Flight demonstrations in Europe, as well as the United States, have confirmed the ability of AWACS to inter-operate with the NATO air defense system and to provide long-range airborne surveillance and warning that are vital for credible deterrence in peacetime and for precise control of forces engaged in combat in the event of conflict; and

WHEREAS, The AWACS can be deployed to any region in the world, and immediately begin its mission of surveillance, warning or direction of air-to-air or air-to-surface combat operations; its inherent mobility, coupled with its long-range radar enabling it to perform its mission while maintaining outside the threat area of enemy surface-to-air missiles or fighter aircraft; and

WHEREAS, The unprecedented view provided decision makers by AWACS of the battle area and the volume and discrimination of real-time data such as position and track information on enemy aircraft and ships and the location and status of friendly ground troops will improve by order of magnitude the centralized, timely management of national assets; and

WHEREAS, Complementing our national AWACS program is our planned participation in the proposed NATO AWACS program; and

WHEREAS, The AWACS will also be an essential element of our air defense system in the United States which role has acquired even greater significance in view of the new Soviet supersonic bomber, the Backfire and the long-term reduction in size of our dedicated air defense interceptor force; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Administration and the Congress continue to support the Air Force in its efforts to procure a sufficient number of AWACS to meet our national defense requirements, now and in the future.

Resolution No. 385 (Md.) as consolidated with **Resolution No. 184** (Pa.) — "Strategic Airlift Forces And Aerial Refueling Capability"

WHEREAS, Rapid mobility is essential to deterrence and one of the most urgent requirements needed in our general purpose force structure is an increase in our total mobilization strategic airlift capability to enhance our ability to move large scale reinforcements to Europe during the critical early weeks of a NATO-Warsaw Pact conflict; and

WHEREAS, The early projection of United States conventional power, when so ordered, can stabilize the situation if conflict has not yet erupted, can mount a better defense if it has, and most important, can offer the President an alternative between surrendering a vital national interest or crossing the nuclear threshold; and

WHEREAS, Various proposals have been submitted by the Air Force and the Defense Department to improve our strategic airlift and aerial refueling capability, including modification of the C-141 aircraft currently in the inventory, modifications to the C-5 wing in order to achieve the full utility of this unique system throughout a potentially long and productive service life; and modification for defense requirements of certain commercial aircraft in the Civil Reserve Air Fleet, and development of a long-range, multi-purpose advanced tanker/cargo aircraft; and

WHEREAS, Stretching the C-141 fuselage will allow an average of more than 30% more cargo to be loaded on each aircraft with virtually no added operating or support costs; and

WHEREAS, The modification of CRAF aircraft is the most cost effective element in the airlift improvement program; and

WHEREAS, The major specific shortfall is in oversize capacity and the C-141 stretch and the CRAF modification will do much to relieve that shortcoming; and

WHEREAS, The Advanced Tanker/Cargo Aircraft (ATCA) will provide long-range air refueling and cargo support beyond the capability of the KC-135 force and would contribute to mobility of forces in several ways such as by transferring large amounts of fuel to airlift aircraft at long distances from support bases, thereby increasing airlift payloads; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Congress be urged to authorize and appropriate the funds required for these actions which are designed to insure that sufficient airlift and refueling capability will be available in future years to prevent infringement upon the vital interests of the United States anywhere in the world by any potential aggressor.

Resolution No. 30 (N.H.) **as amended and consolidated with Resolution Nos. 60** (Ariz.), **380** (Md.) **and 488** (La.) — "B-1 Bomber"

WHEREAS, The strike capabilities of the U.S. Air Force have reached an all time low because of old and obsolete planes; and

WHEREAS, The USSR continues to develop a fleet of fast, high altitude bombers which could deliver nuclear strikes anywhere within the continental United States; and

WHEREAS, A plane capable of delivering a nuclear strike into the Soviet Union is a prime factor in deterring aggressive action by the Soviet Union; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we unanimously call upon President James E. Carter and the United States Congress to resume development of the B-1 bomber, and to make it an operational part of our Air Force at the earliest possible time, consistent with sound development.

Resolution No. 179 (Pa.) **as consolidated with Resolution Nos. 300** (Va.) **and 384** (Md.) — "F-16 Aircraft"

WHEREAS, The F-16 is a fighter with exceptional maneuvering and handling characteristics, communications and fire control associated with guns and IR-type missiles; and

WHEREAS, When the F-16 combat units become operational in FY 1980, this aircraft will decrease the numerical deficiencies in the fighter force, replace a portion of the older force, and will enable the Air Force to continue its modernization of the total force by freeing some F-4s for transfer to the Air Reserve forces; and

WHEREAS, Although this fighter is designed principally for air-to-air combat to complement the F-15, it also had a potent air-to-ground weapons delivery capability, providing our forces with a multi-mission capability at comparatively low acquistion and development costs; and

WHEREAS, Four of our NATO allies have followed the Air Force lead and have selected the F-16 as a replacement for their aging F-104s and have entered into a co-production partnership with the United States and plan to purchase F-16 aircraft, thereby providing a significant move toward broader standardization and inter-operability within the NATO Alliance; and

WHEREAS, The mix force of F-15s and F-16s will enable us to maintain a larger force for equivalent budget expenditures and reduce the quantitative advantage of the Warsaw Pact countries without placing our forces at an unacceptable qualitative disadvantage; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Administration and Congress to fully support through authorizations and appropriations the Air Force efforts to modernize its air superiority fighter forces through procurement of adequate numbers of this outstanding aircraft.

Resolution No. 302 (Va.) **as consolidated with Resolution Nos. 178** (Pa.), **334** (Alas.) **and 383** (Md.) — "F-15 Aircraft"

WHEREAS, The most urgent need for the tactical forces of the U.S. Air Force continues to be an air superiority fighter which can control the skies against the high quality fighters the Soviet Union and Warsaw Pact tactical air forces will have in the years to come; and

WHEREAS, Attainment of air superiority is critical to the mission of tactical air warfare and the operations which it supports as control of the air permits better use of our air, ground and naval forces, while denying the enemy the opportunity to use his military capabilities effectively; and

WHEREAS, The F-15 will be armed with a new medium range air-to-air missile system and an improved close-in-air missile system, as well as a 20mm gun, and should be superior to any fighter in the Soviet Union or that any other adversary is likely to deploy in the next 10-15 years; and range air-to-air missile system, as well as a 20mm gun, and should be superior to any fighter in the Soviet Union or that any other adversary is likely to deploy in the next 10-15 years; and

WHEREAS, The F-15 air superiority fighter program has been an outstanding success and pilots have attested to its superior handling quality and remarkable agility and acceleration; and

WHEREAS, Although optimized for the air-to-air mission, the F-15 possesses a great deal of versatility and growth potential and will have a superior air-to-surface capability; and

WHEREAS, The Air Force has identified the F-15, follow-on interceptor, as a critical element of the moderniazd air defense system capable of defending the CONUS and U.S. interests world-wide against the projected Soviet BACKFIRE threat; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we again urge the Administration and Congress to continue their support of the procurement of F-15 aircraft in the numbers required to insure that our Air Force will be able to achieve and maintain air superiority in any future conflict in which we may become engaged.

Resolution No. 382 (Md.) as consolidated with **Resolution Nos. 177** (Pa.) and **299** (Va.) — "A-10 Aircraft"

WHEREAS, Every major conflict since World War I has demonstrated the importance and necessity of effective close air support of friendly ground forces engaged in combat with an enemy force; and

WHEREAS, For effective close air support an attack aircraft is required which can maneuver at low altitudes in varying conditions of adverse weather and terrain while carrying heavy ordnance loads; and

WHEREAS, The A-10 aircraft has been designed specifically by the Air Force to incorporate all of the principal characteristics that are essential for close air support including maneuverability, responsiveness, lethality, survivability, long loiter time and simplicity; and

WHEREAS, Its reliability and maintainability have exceeded Air Force expectations; and tests have shown it can operate from austere bases close to the forward edge of the battle area; and

WHEREAS, It is armed with a high velocity, tank-destroying 30mm GAU-8 gun, air-to-surface missiles and other ordnance all of which will make it particularly effective in Europe if required against the tanks and other armored vehicles of the Warsaw Pact ground forces; and

WHEREAS, Its presence in Europe is vital in view of the need to deter the Warsaw Pact in the face of their capability to launch a massive attack before reinforcing U.S. divisions can be transported to Europe; and

WHEREAS, More than 20,000 operational flight hours and joint tests with the Army have demonstrated the outstanding capabilities of this aircraft to perform close air support; and

WHEREAS, It is planned by the Air Force to introduce new A-10s directly into the Reserve forces to accelerate total force modernization; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Administration and the Congress are urged to continue their support of this program which will insure that American ground forces engaged in any future conflicts will have the best possible close air support that our technology and economy can provide.

Resolution No. 523 (Committee) — "Air Bases In Turkey"

WHEREAS, The availability of air bases in Turkey are vital to the security of the U.S. Air Force, including tactical and strategic warning capability; and

WHEREAS, The Congress and the Administration are moving toward the reopening of such air bases; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we commend the Congress and the Administration in reinstituting a stable program of U.S. air bases in Turkey.

Resolution No. 180 (Pa.) as amended and consolidated with **Resolution No. 381** (Md.) — "TRIAD Concept And B-1 Bombers"

WHEREAS, The TRIAD concept of ICBMs, SLBMs and heavy bombers represents a reasonably conservative and well-hedged way to maintain the U.S. strategic posture and thereby deter aggression and contribute to some semblance of international stability; and

WHEREAS, The SALT I agreement was based on approximate strategic parity between the Soviet Union and the U.S. with Soviet quantitative advantages being balanced by American qualitative advantages; and

WHEREAS, The Soviet Union since the inception of detente has continued to press forward with the development of their strategic defensive forces and are conducting extensive testing to close the qualitative gap which has helped the U.S. compensate for the Soviet numerical throw-weight advantages in intercontinental missiles; and

WHEREAS, The manned bomber carries more than 50% of the U.S. strategic megatonnage; and

WHEREAS, The mixed standoff/penetrating bomber concept is vital to the success of the air breathing posture of the TRIAD in that it prevents the Soviet Union from concentrating its defenses against only one type of offensive bomber threat; and

WHEREAS, The penetrating bomber has unique capabilities such as the ability to carry the Short Range Attack Missile which is invulnerable to point defenses; the ability to carry large yield gravity weapons; the ability to place a man, with his capability for observation and judgment at the combat scene; the ability to carry out post strike damage assessments; and the ability to rapidly reconstitute and form a second strike force; and

WHEREAS, The penetrating bomber has the capability to be used across the full spectrum of combat from a visible show of force, through conventional warfare, to nuclear conflict; and

WHEREAS, The B-52 force, even with modifications and cruise missile carriage capabilities, is aging and will become less effective against sophisticated Soviet defenses as time goes on; and

WHEREAS, The B-1 development program now being conducted will provide data to evaluate requirements for the manned penetrating bomber of the future; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled inNew Orleans, Louisiana, August 22-24, 1978, That the Administration and the Congress support the standoff/penetrating bomber mixed force concept, the completion of the B-1 development and evaluation program, and begin immediately the development of a new strategic bomber to be deployed in the late 1980s/early 1990s.

Defense Civil Preparedness Committee

Hugh B. Mott (Tennessee) Chairman

Approved Resolutions

Resolution No. 91 (Tenn.) as amended and consolidated with **Resolution Nos. 304** (Va.) and **388** (Md.) — "Reorganization Of Federal Emergency Preparedness And Disaster Response Programs"

WHEREAS, The President of the United States on June 19, 1978, announced his proposal to reorganize the Federal emergency preparedness and disaster response programs; and

WHEREAS, The proposed reorganization will merge into one agency (The Federal Emergency Management Agency) (FEMA) all co-related programs dealing with preparedness, mitigation, and response to all national emergencies, including natural and manmade disasters, as well as those involving nuclear attack; and

WHEREAS, The proposed reorganization will increase Federal support of state and local emergency organizations and resources, which bear the primary responsibility for preserving life and property in times of calamity; and

WHEREAS, The director of the new agency will report directly to the President and the Congress on all matters relating to emergency preparedness, mitigation and response activities; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That the Congress and the executive agencies concerned be encouraged to consider carefully the reorganization plan, which is designed to enhance emergency preparedness and response activities by eliminating duplication, reducing costs, and strengthening U.S. capability to deal more effectively with emergencies.

Resolution No. 461 (D.C.) as amended and consolidated with **Resolution Nos. 31** (N.H.), **90** (Tenn.), **114** (Ky.), **264** (Ill.) and **386** (Md.) — "Defense Civil Preparedness Program"

WHEREAS, The USSR has provided shelters against nuclear attack for their weaponry and command centers, for their leaders and for large numbers of their citizens, particularly in key industrial sites and cities; and

WHEREAS, The United States civil defense program has come to a standstill with the result that there are virtually no plans or facilities for protection of our leaders or citizens in the event of a nuclear attack; and

WHEREAS, The Communist Bloc members can anticipate a much higher survival rate than the United States following a nuclear exchange and thus are not effectively deterred from initiating hostilities; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we continue to urge the Administration and the Congress to develop and finance a civil defense program adequate to assure survival of our Nation and its leaders, citizens and resources.

Referred Resolutions

Resolution No. 92 (Tenn.) — "DCPA Crisis Relocation Program (CRP)"

Resolution No. 387 (Md.) — "DCPA Crisis Relocation Program (CRP)"

Rejected Resolutions

Resolution No. 335 (Alaska) — "Reorganization Of Federal Emergency And Disaster Response Programs"

Resolution No. 418 (Texas) — "Operation Spot"

. . . Merchant Marine Chairman William D. Horan submitted the following:

Merchant Marine Committee

William D. Horan (New York) Chairman

Approved Resolutions

Resolution No. 367 (Wash.) — "Support For A Strong U.S. Merchant Marine"

WHEREAS, The American Legion has long been aware of the need to rebuild and modernize the United States privately owned merchant fleet; and

WHEREAS, Current U.S.-flag tonnage is inadequate to satisfy our defense and commercial need; and

WHEREAS, The American Legion is concerned by the consistent expansion of the Russian merchant marine, now at the rate of 22% annually, since 1972 has jumped from 23rd to 6th place in world fleet capacity, while all ships of the West are growing by only 12%; that the Soviets have nearly 10% of all international liner volume but generates less than 2% of global trade, while the U.S., the greatest trading nation in the world, has less than 5% of the nation's maritime trade; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the United States Government, working closely with maritime labor and management, to rapidly accelerate the standards established under the Merchant Marine Act of 1970 for rebuilding the U.S. shipping fleet to a position second to none in the world.

Resolution No. 524 (Committee) — "Ocean Marine Insurance"

WHEREAS, Congress has declared it to be in the National interest that there be an efficient and adequate American-owned Merchant Marine supplemented by efficient American-owned Merchant Marine facilities for marine insurance; and

WHEREAS, Congress, in enacting the Trade Reform Act of 1974, declared it to be the purpose of the United States to establish fairness and equality in international trade relations and to eliminate barriers to, and distortion of, free international trade; and

WHEREAS, Congress has specifically authorized the negotiation of trade agreements with foreign countries for the express purpose of achieving the aforesaid goals; and

WHEREAS, The continued position of the United States as a leader in world trade depends on, among other things, the maintenance of a healthy, competitive and free system of ocean marine insurance, with full opportunity to offer its services to citizens of the U.S. and to all engaged in international trade; and

WHEREAS, A large number of countries have, by laws, decrees or regulations, interfered with the right of an American exporter or importer to negotiate freely the purchase of marine (transport) insurance; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That representatives of the United States in international trade negotiations should give proper consideration to their responsibilities under the Trade Reform Act of 1974 and should work actively toward the establishment and maintenance of a free international market for ocean marine insurance in which this Nation may compete on equal terms with its trading partners.

Resolution No. 525 (Committee) — "Opposition To Reorganization Affecting The Army Corps Of Engineers"

WHEREAS, With Presidential approval, the Office of Management and Budget has published a Notice (42 F.R. 63655) of a Study of National Resources and Environmental Functions and environmental program; and

WHEREAS, One proposal being considered would transfer the function of the U.S. Army Corps of Engineers on the navigable inland waterways to the Department of Transportation; and

WHEREAS, Such a transfer would put the Army Corps of Engineers into counter-productive competition with the railroads, airways and highways; and

WHEREAS, Benefits from the Engineers' programs in matters involving flood protection, hydropower, recreation, transportation and municipal and industry water supply have continued to grow annually in importance; and

WHEREAS, A transfer of the Army Corps of Engineers to the Department of Transportation would only serve to erode those benefits and inhibit the ability of the Corps of Engineers to carry out its Congressional mandates; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we oppose any transfer of the current civil works responsibilities of the Army Corps of Engineers on the navigable waterways of the United States to the Department of Transportation or any other agency.

Resolution No. 527 (Committee) — "Support For

Extension Of Certain Coast-Wise Laws To The Virgin Islands"

WHEREAS, Upon the acquisition of the Virgin Islands by the United States from the Kingdom of Denmark, the President of the United States was authorized to extend to the Virgin Islands certain laws of the United States including the coast-wise laws; and

WHEREAS, In 1942, by Executive Order, the President extended some of the laws of the United States to the Virgin Islands but specifically excluded extension of the coast-wise laws; and

WHEREAS, Such exclusion was made primarily to promote free trade between the Virgin Islands of the United States and the British Virgin Islands; and

WHEREAS, Such exclusion currently allows foreign flag vessels to transport cargoes of petroleum products between U.S. ports and the Virgin Islands while the coast-wise laws concerning the transportation of such cargoes now apply to all the States, Territories and Commonwealths of the United States with the exception of the Virgin Islands of the United States producing an inequity; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we request the Congress of the United States to enact legislation to extend the coast-wise laws of the United States to the Virgin Islands specifically with respect to the transportation of crude oil, residual fuel oil, and refined petroleum products.

Resolution No. [illegible] (Committee — [illegible]

[illegible]

navigation at the 9-foot draft as provided by the Congress without extensive dredging at many points every year; and that it is equally impossible to dredge material from the river bottoms without violating the newly prescribed standards; and

WHEREAS, The total volume of bottom sediment moved by the Corps of Engineers in its entire history is only an infinitesimal fraction of that carried downstream by the rivers' own flood waters every spring; and

WHEREAS, The District Engineer is concerned that many of the requirements laid down by MPCA cannot physically be met, some are technically unsound, some are environmentally questionable, and some or all are cost-prohibitive; and

WHEREAS, Strict compliance with the requirements would necessitate that all concerns would be virtually ignored, other than water quality; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That seeing environmental interests and concerns are important and must be given careful consideration, they are not the only ones affecting operations of the navigable waterways. The American Legion commends to the Congress of the United States the need for developing and applying a standard for dredging operations which will take into account the very important concerns of navigation on the inland waterways of the United States, and at the same time the legitimate needs of environmental protection. Failure to develop such a Federal program will lead to undesirable intervention by the state governments in matters in which the Federal concern is and must be paramount.

Military Affairs Commission

[illegible], Chairman

[illegible]

Approved Resolutions

[illegible]

WHEREAS, Women have performed their most valuable service in non-combatant assignments now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we support the policy of continuing women in the armed forces only in non-combatant assignments.

Resolution No. 300 (Va.) as consolidated with Resolution No. 420 (Colo.) — "President's Commission On Military Compensation"

WHEREAS, The report of the President's Commission on Military Compensation has been submitted to the President and has been forwarded to agencies of the government to draft legislation to implement the recommendations of the Commission; and

WHEREAS, The most significant recommendation in the report is the elimination of the "20-year" retirement system; and

WHEREAS, One member of the Commission, Lt. Gen. Benjamin O. Davis, Jr., in dissenting stated, "I regard the Commission's proposed retirement program as an unwarranted and unwise gamble with national security ...;" and

WHEREAS, The Secretaries of the Army and Air Force and the Chiefs of Staff of these services strongly recommend the retention of the 20-year retirement option, now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we oppose the proposals contained in the "President's Commission on Military Compensation" [illegible]

[illegible]

WHEREAS, The Selective Service System has proven itself to be fully effective in meeting the vital national needs during all wars this Nation has been engaged in during this century as well as the requirements of the peacetime army since World War II until the present troubled period of the all-volunteer Army program; and

WHEREAS, In spite of the long successful record of the Selective Service Act which provided that a complete registration and classification structure capable of IMMEDIATE operation in event of a national emergency be maintained even when Selective Service is on a standby basis; and

IMMEDIATE operation in event of a national emergency be maintained even when Selective Service is on a standby basis; and

WHEREAS, The present planning at the national level of the Selective Service System has cast aside the history proven decentralized organization in favor of a centralized computer system administered by National and Regional offices; and

WHEREAS, The capability of the Selective Service System to meet the above provisions of existing law has been so eroded through budgetary and personnel constraints that it can no longer meet the well established requirements of the Department of Defense; and

WHEREAS, The independence of the Selective Service System is threatened by the federal reorganization program which could merge the System with the Department of Defense or a non-defense related agency; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we continue to support the maintenance of the Selective Service System [illegible]

[illegible]

or agency, the Congress be urged to reject such a move; and, be it finally

RESOLVED, That the President and Congress be urged to provide the necessary directions to and budgetary support of the Selective Service System so that the mandates of the Military Selective Service System is able to meet the manpower requirements of the Department of Defense when called upon.

Resolution No. 314 (Va.) — "Medical Care For Military Retirees," as amended:

WHEREAS, The military, as a career incentive, offered free medical service; and

WHEREAS, The career military service people were promised upon retirement, adequate medical benefits for the retiree and his/her family; and

WHEREAS, Numerous military hospitals have discontinued out-patient service for the retiree and his/her eligible family members because of a shortage of military doctors; and

WHEREAS, Due to this shortage, the retiree must seek medical care locally from civilian doctors under CHAMPUS assistance program; and

WHEREAS, This program is on a share-cost basis, costing the service member $50 deductible and $100 deductible for a family of two or more members per fiscal year for out-patient service. In addition, the service member must pay 25% of the total cost after the deductible has been met; and this program is effective only if the physician participates in the CHAMPUS program; and

WHEREAS, The retiree must pay the difference between the allowable charge under CHAMPUS and the actual cost to the physician; and

WHEREAS, The overwhelming majority of civilian doctors [illegible]

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Armed Services Committee of both the U.S. Senate and House of Representatives to pass legislation to enable a disabled, otherwise eligible, Reservist to receive a Reserve pension before attaining age 60; and, be it further

RESOLVED, That any Reserve or Guardsman or woman who has completed his/her eligibility for retirement but dies before he or she draws any retirement, that their dependents shall receive their proportion of benefits from this retirement.

Resolution No. 317 (Va.) — "United States Army Strength"

WHEREAS, World conditions are still unsettled and dictate the maintenance of creditable military strength; and

WHEREAS, Since our withdrawal from Vietnam, U.S. military forces have been drastically reduced to what many consider dangerous levels; and

WHEREAS, The USSR continues to increase the size of its conventional forces to the current level of 4.4 million men; and

WHEREAS, In an age of nuclear parity, general purpose forces are the primary military force to support our foreign policy; and

WHEREAS, A stable U.S. Army end strength is indispensable to maintain combat ready forces and to implement efficient manpower management policies; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge a stable end strength of the [illegible] retired military members and 100% service connected disabled veterans and their dependents; and

WHEREAS, The Defense Manpower Commission in their report to the Congress and the President's Commission on Compensation have recognized in effect that commissaries are one of the intrinsic benefits essential to the military service and are of prime importance to morale and continuity; and

WHEREAS, Any diminution of purchasing power through the eliminating of or through the phased-out reduction of the appropriated fund support of the military commissary stores would severely impact on the morale of our active duty forces and most certainly would have an adverse effect on those retirees and 100% service-connected disabled veterans who live on fixed incomes; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we oppose any reduction in appropriated fund support for military commissary stores now or in the future.

Resolution No. 380 (Ill.) as amended and consolidated with Resolutions Nos. 206 (Va.) and 482 (D.C.) — "Total Force Policy Of Providing Funds, Training And Equipment To National Guard And Reserve Units"

WHEREAS, Despite encouraging signs of better relations with the People's Republic of China and the USSR, detente has not yet proved to be a reality; and

WHEREAS, The USSR continues to improve the size and readiness of its military forces across the entire spectrum of military preparedness; and

WHEREAS, The United States must at all times maintain a credible military defense to protect its citizens and our vital national interests while preserving our economic stability; and

[illegible]

the Neutron Bomb; and

WHEREAS, It is vitally important that our military have the new enhanced radiation weapon to deter communist military aggression and have this important component of defense so essential to the United States as well as to our allies in NATO (North Atlantic Treaty Organization); now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urgently request President Carter to permit our military to deploy for use if necessary against communist military aggression, the new enhanced radiation weapon, commonly called the neutron bomb, in that we agree with competent authorities desiring to prevent communist military aggression, that the new weapon would be a vital deterrent to communist military aggression if the communists knew that our military has the weapon and that it would be used against their aggressive military forces, and it is therefore most essential in the interest of peace and the national security of the United States and our European allies in NATO that the President deploy to our military the new neutron bomb; and, be it further

RESOLVED, That copies of this resolution be given to the appropriate news media and copies be mailed to governmental officials as appropriate as well as to members of The American Legion as deemed appropriate.

Resolution No. 221 (Wis.) as amended and consolidated with Resolution No. 263 (Va.) — "Military Unions"

[illegible]

other citizens, to compete for and obtain federal civilian employment for which he is qualified, at the salary rate set for that job; and, be it further

RESOLVED, That The American Legion expresses its belief that retirees from honorable service from the military should not be deprived of their right to the full military pay they have earned, should not be deprived of their right to compete for and obtain federal civilian employment for which they are qualified for, and should not be deprived of full pay in such civilian employment as they perform satisfactorily; and, be it finally

RESOLVED, That Members of Congress of the United States and others who would be involved in making determinations on the matter, be informed of The American Legion position, and be requested to work for and vote for defeat of these efforts to penalize military retirees.

Resolution No. 464 (D.C.) — "Oppose Any Effort To Abolish Characterization Of Discharges For U.S. Armed Forces Personnel"

WHEREAS, The vast majority of persons who have voluntarily served in the armed forces of the United States have over the past two centuries performed their duties honestly and faithfully, even under the most trying conditions; and

WHEREAS, Honest and faithful service to our Nation has, since the Revolutionary War, been rewarded by characterization of such service as "honorable,"

WHEREAS, Future generations most probably will be called upon for honest and faithful service in times of our Nation's need; and

WHEREAS, The value of an honorable discharge is inestimable; and

WHEREAS, Various moves are underway seeking to discontinue characterization of discharges; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we adamantly oppose any effort to abolish characterization of service, to downgrade the requirements for issuance of an "honorable" discharge, or to debase the value of honest and faithful service performed by members of our armed services.

Resolution No. 484 (NC) — "Medical Care For Military Retirees"

WHEREAS, Military personnel and their dependents are legally entitled to adequate medical care provided by the Department of Defense; and

WHEREAS, Military retirees and their dependents are provided medical care under the CHAMPUS program administered under the supervision of the Department of Defense; and

WHEREAS, The Department of Defense abdicates its responsibility for providing medical care for said military retirees and their dependents at the time they reach age 65; and

WHEREAS, The need of medical services is greater at and subsequent to age 65; and

WHEREAS, The military retiree and his dependents must enroll in the Medicare program at age 65 at a greater cost, thereby eroding benefits previously provided through the CHAMPUS program; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we sponsor and support federal legislation which will retain military retirees and their dependents under the CHAMPUS program, regardless of their ages, as an earned right for having faithfully served their country in the time of its need.

Resolution No. 530 (Committee) — "Military Posture Of The United States"

WHEREAS, President Carter on August 16, 1978, held a news conference for all the media which was nationally televised in which he stated that he intended to veto the $60 billion bill which the Congress had passed; he would do so because of its authorized defense expenditures, including the Navy's $2 billion nuclear carrier; and

WHEREAS, He would concentrate the expenditures for NATO conventional weapons and equipment including tank and motorized equipment and airplanes for the Air Force; and

WHEREAS, Soviet Russia and its allies greatly surpass the NATO countries in conventional weapons and manpower including an attack unit of 10 tank divisions and 21 motorized rifle divisions or more on the border of West Germany, maintained in readiness for an assault which could not be successfully defended against by NATO's conventional weapons and manpower; and

WHEREAS, The President has refused to authorize the production of the neutron bomb despite the requests of every NATO government that it be produced and placed in readiness in NATO to be used only to defend against a Soviet assault; and

WHEREAS, It is imperative that action be taken without delay to insure that the nuclear powers of the United States be placed and maintained on a parity with those of the Soviet Union to insure the continuance of peace throughout the world; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That (1) the President be strongly urged to direct the production of the neutron bomb and placement of it in NATO countries for defense against a hostile attack; (2) that the B-1 bomber be manufactured and delivered to the Air Force to offset the Soviet Backfire bomber; and, (3) that the vital Triad principal of ability to discharge nuclear missiles from land, sea and air be ever retained in the military posture of the United States; and, be it further

RESOLVED, That the Congress be urged to over-ride the President's veto of the defense bill and to adopt legislation to accomplish vitally needed nuclear power sufficient to deter Soviet Russia and its allies from instituting the holocaust of a world-wide war.

Referred Resolutions

Resolution No. 336 (Alaska) — "Universal Military Service"

Resolution No. 434 (Colo.) — "Establish A Program For Two Years Voluntary Service In U.S. Armed Forces In Return For 36 Months Of Post Secondary Education"

Resolution No. 502 (Ga.) — "Amend Legislation To Enable Veterans/Military Retirees And Their Authorized Dependents To Continue In The CHAMPUS-CHAMPVA Program To Age 70, In Lieu Of Age 65"

Resolution No. 121 (Miss.) — "Equalization Of Benefits To Certain Veterans Released From Military Service Prior To June 30, 1949"

Rejected Resolutions

Resolution No. 243 (Calif.) — "American Forces Radio And Television Service"

Resolution No. 244 (Calif.) — "Presidio Of San Francisco Letterman Army Hospital"

Resolution No. 366 (Wash.) — "Allow Commissary Privileges For Military Reservists And The National Guard As An Enlistment Or Re-Enlistment Incentive"

Resolution No. 425 (S.C.) — "Compulsive Military Training"

Resolution No. 495 (France) — "Military Retirees"

. . . The Naval Affairs Committee Report will be given by John Wrenn, Massachusetts.

Naval Affairs Committee Chairman John J. Wrenn submitted the following:

NAVAL AFFAIRS COMMITTEE

John J. Wrenn (Massachusetts) Chairman

Approved Resolutions

Resolution No. 309 (Va.) — "Trident Weapon System"

WHEREAS, It has been noted that the Trident weapon system has advanced to final stages of development and early production; and

WHEREAS, It has been noted some legislative opposition has existed on the system which has impacted upon the implementation of the system; and

WHEREAS, Rapid implementation of the system is vital to our national security; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Congress of the United States to provide continued support of the Trident weapon system to facilitate rapid implementation thereof.

Resolution No. 310 (Va.) — "U.S. Navy Elf System Of Communication"

WHEREAS, The United States Navy has provided documentary data that the ELF system of communication is vital to the defense of our Nation; and

WHEREAS, The essential need to compete with the Soviet Union for continued sea power depends largely on the construction of ELF system in the U.S. and its attendant world-wide communications system; and

WHEREAS, The National Academy of Sciences has determined no health hazards or environmental problems exist from placement of an ELF system; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we support an ELF system of communication and strongly urge the U.S. Navy to pursue its goal of establishing this vital project for the ultimate protection of our submarine force as well as the essential defense posture of our Country.

Resolution No. 463 (D.C.) as amended and consolidated with **Resolution No. 308** (Va.) — "Modernize The United States Navy"

WHEREAS, The United States is no longer the preeminent naval power in the world and current budget programs do not provide for modernization or new construction of sufficient numbers of submarines and surface vessels and may provide for only one new aircraft carrier; and

WHEREAS, The Soviet navy has become a global instrument of power with more submarines and surface vessels, except carriers, than the United States and with a rate of modernization and construction, including carriers, exceeding the U.S.; and

WHEREAS, The United States is an island nation, with two states and 40 of our allies located overseas, irrevocably linked to the world's oceans for our safety and for our economic well being — in contrast to the USSR and communist China, which are land powers with greater self-sufficiency than we have and with no "natural" allies overseas; and

WHEREAS, The North Atlantic alliance is dependent upon adequate naval power, as our European allies could be starved out by the Soviet submarine fleet and the situation is similarly critical for the United States and its allies in the Pacific Ocean; and

WHEREAS, Our national survival depends upon the continued availability of the seas, and thus on maintaining the naval strength required for their control; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22-24, 1978, That we urge the Administration and the Congress to develop as quickly as possible a definitive program to restore the United States to a position of global naval supremacy with a modern balanced sea control force of submarines, aircraft carriers and aircraft, and other surface weapons ships; and to provide necessary increases in current and future appropriations for this purpose.

Referred Resolution

Resolution No. 504 (Puerto Rico) — "Support Of The United States Navy"

CHAIRMAN KANE: You have heard the action that has been recommended by the delegates to those Committees. Their reports address not only the various types of hardware which are the tools of our armed forces, but also it addresses the concerns we have over the people issues which affect the morale and welfare of our active duty soldiers, sailors, marines and airmen, as well as our thousands of military retirees.

We continue to urge the Congress to provide for a strong national defense. We hope they will agree for all of our armed forces have great need for men and equipment to insure that no enemy would dare to attack us. They tried to blackmail us in 1962. Will they try again? Yes, if they think that they can prevail.

We are outnumbered in men and material, in surface and underwater ships, in the air and in missiles. We must restore our Country to a position of eminence, tactically, strategically and diplomatically, for the SALT II Treaty must not permit us to regress farther.

Providing for the common defense in the years ahead will not be cheap. This Nation faces a strong and growing Soviet threat, unsettled conditions in the Middle East and in Africa. While we have many unsolved social problems here at home, their solutions cannot and should not be found at the expense of the defense budget.

This report also addresses other subjects which are of vital concern to the members of The American Legion. Crime continues to be devastating in all areas of our Country, urban and rural. The cost of crime is huge in both human and monetary terms. It is incumbent on all of us to support our local law enforcement agencies in their endeavors to reduce the crime in our communities.

A third area of concern is the apparent lack of knowledge on the part of some of our law makers on the valuable contributions made by the National Aeronautics and Space Administration to the quality of life in our Country. Life support equipment used in spacecraft has been successfully adapted for use in coronary care units in thousands of hospitals. A successful test has been concluded whereby the vital signs of a heart attack victim were sent from a speeding ambulance to a hospital, miles away, via satellite. A breakthrough in sewage disposal and water reclamation appears imminent. NASA deserves the continuing support of The American Legion.

This Commission has been briefed by representatives of the armed forces, NASA, law enforcement and private industry on some of the current programs being undertaken with tax dollars. The U.S. Navy is receiving brand new ships such as five landing helicopter assault ships, amphibious assault ships for local actions, and marine corps landing forces; 9 spruance class destroyers which are designed to better perform the Navy's missions. NASA is building the space shuttle, some uses for which have probably not even been discovered. The FBI is continuing its crime resistance program in which this organization is continuing to participate. Time does not permit a complete list of their objectives.

Each program deserves our support. I ask each of you to carry our message back to your local Post. It is in the local community that we become a strong, effective voice in keeping our Nation secure.

The report was adopted.

NATIONAL COMMANDER SMITH: We are pleased to be able to hear the message of our next speaker concerning the status of our Nation's armed forces. Our speaker is Chief of Staff of the United States of America, and in that role is also a member of the Joint Chiefs of Staff, the policy making body of the best military machine in the world.

The Chief of Staff is a graduate of the U.S. Military Academy, a Rhodes Scholar, and holder of the Distinguished Service Cross, Silver Star, Legion of Merit, Distinguished Flying Cross, Bronze Air Medal and other decorations.

During the Vietnam War he served as Commanding General of the Army's Fifth Infantry Division, Assistant Commanding General of the First Infantry Division and as Commandant of Cadets at the Military Academy.

Ladies and gentlemen, I present to you General Bernard W. Rogers, Chief of Staff, the United States Army, General Rogers.

ADDRESS

General Bernard W. Rogers
Chief of Staff, United States Army

Distinguished guests, ladies and gentlemen. I am deeply honored to be here this morning. Yours is a great and proud organization which always gives strong support to many causes of worth to our Country. How well I remember from my early childhood my father's pride in belonging to the Legion and his participating in its activities in the small Kansas town of 250 where I grew up. The Legion is still very active in that little town.

The American Legion has always fought for a strong national defense. Two days ago Secretary Brown spoke to you about the requirements of such a defense and the high priority being placed today on combat readiness. The Joint Chiefs of Staff fully concur in that emphasis on readiness. We have committed ourselves to ensuring that we can be militarily responsive to the needs of our Nation as determined by the President and the Congress. To that end we have had more opportunities, as a corporate body, than our predecessors to give our advice to this Administration; and we have always had a fair and understanding hearing. Some believe that our military opinions are not sought and are not heard. They are wrong. Our advice might not always be accepted, but the Constitution and the law do not require that it be. The principle of civilian control must remain inviolable; the final decisions on national policy must remain the responsibility of our elected leaders.

I would like to take up this morning where Secretary Brown ended this talk when he stated that "people are the greatest asset we have in defense" and that "the men and women of today offer us the opportunity for the same decisive margin" of victory which "you, our veterans gave us . . . in the past." All our operational needs, our plans and strategies, our programs and budgets, our sophisticated equipment and computerized methods are ultimately without value unless we have that one key ingredient: adequate numbers of dedicated, responsive, trained and effective soldiers, sailors, airmen and marines.

It will, of course, be an Army perspective from which I speak, but in some cases parallel observations can be drawn from the other Services. I think it would be well to dispel some myths about the volunteer environment, to collect some facts as to the Army's experience in it, and outline for you some of our challenges as we attract, train, care for, and keep the best among those who volunteer to join our ranks.

Since December 1972, when the Army inducted its last draftee, we have been engaged in an unprecedented effort. No country has every tried over a sustained period in peacetime to fill, solely by volunteers, an Army of our size — over 1.3 million in uniform in the total Army: the Active Forces and the Reserve Forces — the Army Guard and the Army Reserve. We have had some growing pains and known both ups and downs, but we have met with success, at least in getting adequate numbers of qualified soldiers for our Active Forces which are some 780 thousand strong.

If the volunteer experience has been positive for the Active Army, we have not had comparable success in our Reserve Forces which face a more complex series of challenges. The end of the draft dealt those forces a severe blow. No longer were draft-induced volunteers coming into the Guard or Reserve so as to have a degree of control over the conditions of their required military service. Furthermore, the Active Army is now half the size it was ten years ago at the Vietnam peak. This reduction in the size of the Active Forces and the increase in terms of active service result in fewer soldiers entering the Reserve Forces to complete their service obligations and serving less time once in the reserves.

Hence, a major result of the dropping of the draft has been the dwindling of the strengths of our Reserve Forces. Normally this understrength would be made up by the Individual Ready Reserve, the IRR. This is the pool of trained, former service-members, who are not assigned to Reserve units yet who still have a residual obligation. This IRR pool would not only provide the immediate fillers to bring units up to full strength, it would also serve as the source of replacements for the casualties we might expect in the early days of a major contingency until a reinstated draft could take over and fill the manpower pipeline. Unfortunately, our IRR pool is today drastically short of personnel. In my opinion, that challenge is exacerbated by another: The Selective Service System is in such a deep standby status that, under current conditions, it would take much too long to get our first draftees in and out of the training command and headed toward their initial units of assignment.

The greatest challenge which the volunteer environment poses for our Army today is reaching and maintaining the appropriate strength levels of our Reserve Forces units and of the Individual Ready Reserve.

Recruiting in the volunteer environment has obviously taken on new meaning, a very energetic one. Recruiting for the Reserve Forces presents challenges altogether different from those facing the Active Forces since recruiting for the Reserve Forces is community based. A Surplus of volunteers for a unit here in New Orleans cannot help an understrength unit in New York.

The greatest assist in increasing the strength of our Reserve Forces would come from there being a general understanding by all citizens of the important role played by the Guard and Reserve today, and the active support of those Reserve Forces by the public and their elected representatives. Meanwhile, we have underway a number of efforts to correct these shortages. We have made proposals for new legislation required from Congress. We have begun a program of direct recruiting assistance of the Army Reserve by the Active Army Recruiting Command. And we are implementing several other measures to enhance our recruiting and retention in the Reserve units that are short. Until these measures are tried in earnest — as such measures have been implemented for the Active Forces — we must hold in abeyance any judgement on the overall success of the volunteer concept.

As we think about recruiting issues, we must recognize that we are in the business of recruiting women as well as men. In today's Active Army, we have almost 50 thousand enlisted women. They are playing an expanding role and doing extremely well at it. They have required that we reassess the types of assignments they can fill, and now some 96 per cent of our military skills are open to them. Women are still barred from assignments likely to involve close combat. They will deploy with their units should we have to go to war. They are soldiers and need to be treated as such, just as are their male counterparts. That is what the women soldiers want; that is what I want. Their presence has leavened the whole Army and presented challenges to leaders to all levels to adjust their traditional modes of thinking. We are proud of the outstanding contribution women are making, and we will be drawing upon them even more over the next several years.

To ease our recruiting burdens we must minimize the losses occasioned by soldiers who do not complete their normal terms of service. Some publicity has been given to the fact that almost 40 per cent of those soldiers who volunteered in FY 1974 — the first full year without the draft — did not complete their full 36 months of service. More than half of that loss occurred during the first year. Most of those who departed early where caught in our filtering systems that sought out the non-productive, the inept, the unsuitable or the undisciplined soldiers so that our commanders could concentrate on training those who were capable, motivated, and disciplined. As you would expect, it is not until we get our volunteer soldier into uniform and immersed into the regimentation and routine of the Army that we know whether he or she has the motivation, self-discipline, attitude and aptitude to be the kind of soldier we want to keep. If some demonstrate that they cannot or will not meet the standards we set, then we have the tools to remove them from our ranks. After all, this is a volunteer Army, and soldiers volunteer to meet our standards which I insist be high in all areas. If they do not measure up, I encourage commanders to use the tools and programs available to rid us of the substandard. This is surely what you would expect us to do.

As we have gained experience in the volunteer environment, we have been able to determine which categories of potential recruits show the greatest promise for effective service. As our techniques for determining that promise are refined, and as we are able to recruit more from those groups likely to do well, our attrition rates will drop. In several years, we hope to reduce attrition among first termers to about 25 per cent, but progress will be slow and expensive since we are seeking the same sorts of people as business, industry and the other Services.

We have found that one of the best pre-enlistment indicators of potential for effective service is the high school diploma — though it is by no means the only one. The motivation, discipline and reliability displayed in acquiring a diploma carry over into the Army. Our experience shows that a recruit with a diploma is more than twice as likely to finish his first term that his contemporary who does not possess one. Additionally, holders of diplomas are more apt to reenlist.

While these young persons are doing well, this expectation of success should not be construed as implying that soldiers without diplomas cannot be effective. In fact, many of them are. In the last analysis, quality should be measured by performance in one's unit, after initial training. In the main, those who complete training are doing well. When turned on by good leadership, meaningful tasks, tough and challenging training, strict discipline, and high standards, our soldiers respond with dedication, willingness to sacrifice and high performance.

I mentioned that our attrition rates are dropping, and a major factor is that the percentage of high school diploma graduates in the force has increased significantly. So far this year, more than 70 per cent of our new recruits have been holders of diplomas — a higher percentage than ever before during the volunteer environment.

Admittedly, we are not attracting many of those persons who are bound for college and also perhaps not too many at the top end of the intelligence scale. But then we have about the same proportion of enlisted members with at least some college experience as we did during the last year of the draft, about 12 per cent. By the same token we are not accepting those persons at the lower end of the intelligence scale. Our recruits in the lowest acceptable mental level, Mental Category IV, are about half the percentage we were receiving during the draft six years ago.

Many have decried the educational levels in the Army today. I would only point out that during the later phases of World War II, when our soldiers were landing on the beaches of Normandy and New Guinea, the high school graduate content of the Army was less than 40 per cent. At the height of the Korean War, it was less than 50 per cent. During the last year of the draft it was 70 per cent. Today our high school graduate content throughout the Active Army is 83 per cent, including a number who have earned their diploma or equivalency while in the Service.

I think such historical perspective is important as we look at the Army and try to judge the qualifications of the soldiers now in our ranks. Although the Army can improve in many respects, and is deeply engaged in just that endeavor, much of the criticism of our soldiers that has been voiced recently is inaccurate. More importantly, hundreds of thousands of fine soldiers have been unfairly maligned. Often, a return to the draft is seen as a panacea for our challenges, but that is not necessarily so. The issue is much more complex and not susceptible to simple solutions.

The volunteer soldiers commanded by General Pershing prior to World War I and those led by General Marshall prior to World War II were not better qualified to be soldiers than those in the Army today. Yet their gallantry on the battlefield is beyond dispute. We sometimes forget the chants of "OHIO" — "Over the Hill in October" — prior to Pearl Harbor. We sometimes forget that large scale troop disturbances occurred during the demobilization after

World War II. We sometimes forget that the composition of our Army during the recent draft was not necessarily more representative of our society than our Army is today — or was 50 to 100 years ago.

Perhaps the categories of representation may have changed somewhat, but a degree of imbalance will remain as a matter of practical application of any system — draft or volunteer. No system will be fully representative or truly equitable in practice. And I believe that what matters is not which social or economic strata our soldiers come from or what motivates them to join; what does matter is how well they perform once they are serving in their units under their sergeants, lieutenants and captains. Then, and only then, can we judge if the soldier's performance is one of "quality."

Quality is an extraordinarily elusive concept and peacetime measurements of wartime effectiveness must always be indirect; but we are not without experience in the field. Traditional indicators of undiscipline are down dramatically over the past five years — AWOLs, desertions, crimes of violence and the like — in some cases down by a factor of three. Our indications of motivation and morale are up. Our soldiers are in the Army because they want to be, and they are performing well.

Ladies and gentlemen, I believe that today's soldiers are among the best with whom I have had the privilege to serve in over 35 years of commissioned service.

Let me add to that perspective. Our soldiers today reflect the strengths and weaknesses of our society. They represent a microcosm of the 17-25 year olds in our Country since two-thirds of our Army fall in that age group. And, to some extent, the fact that they are now in the Army puts them in an unaccustomed spotlight.

A point has been made about the low reading levels of some of our enlistees. It is true. Even after we disqualify young people in the lowest categories of mental aptitude from coming into the Army, we find that about 6 per cent of our enlistees are functionally illiterate, reading at about the 5th grade level. By comparison, a study sponsored in 1975 by the Department of Health, Education, and Welfare, indicated that about 20 per cent of all American adults over age 17 are functionally illiterate. Now while certainly not all of these people are qualified for military service — by age if for no other reason — that is nevertheless a shocking figure. It is something about which we all as citizens must be concerned. It has effects with which Army commanders must cope.

However, we have a number of programs in the Army to improve the capabilities of our soldiers in this regard, such as the Basic Skill Education Program, a fully funded, on-duty effort to help the soldier acquire the educational skills he needs to do his job. We are working with the Departments of Labor and HEW to provide pre-enlistment remedial education. Other programs provide industrial recognition for skills learned in the Army and provide for appropriate apprenticeships. And though the Congress has discontinued educational benefits for new soldiers under the GI Bill, there is a partial replacement for it under the Veterans Education Assistance Program.

Public interest has recently focused again on drug abuse in the Services, although Army programs are also deeply concerned with alcohol abuse where our case load is in fact higher. Again, a measure of perspective is in order. We do not want our soldiers to do anything that would impair their health and efficiency or that of the Army. Our soldiers come from a society in which drugs are endemic, and while exact national figures are not available, National Institute of Drug Abuse estimates for the 17-25 year old age group are comparable to those of the Army. We are not satisfied with these comparisons, however, because our responsibilities for national security should require higher standards than those prevalent in society.

We have been encouraged by the downturn of hard drug abuse in the past four years. Alcohol and marijuana use have remained about steady. As accurately as we can determine, about 7 per cent of our enlisted soldiers now use hard drugs at least occasionally, with just less than 2 per cent of them on a regular basis. Most of this use is in a social or recreational context — we have been able to weed out most of the hard core addicts we had several years ago. We have a number of programs to combat and contain, if not eliminate, drug abuse — recreational, to remove the temptation; educational, teaching the dangers; law enforcement, to root out the sources; and rehabilitational, to treat the abusers.

We do not minimize the problem; any misuse of drugs is abuse and cause for concern. But I want to assure you that drugs have not incapacitated the Army, despite what some would have you believe.

In sum we have some big people challenges in the Army — as well as challenges in other areas — and we are working vigorously at meeting them. But, they have not overwhelmed us.

Many of these challenges are eternal. They have faced all commanders through the ages, since armies have historically been composed largely of young people. 17 to 25 year old men and women today have all the energy and all the high spirits they have always had. They want to be tested, the harder the better. They have an enormous potential for hard work, ingenuity, and great accomplishment. They also have the potential for mischief. They place a premium on good leadership — professional, competent, sensitive, compassionate leadership. Our Army has always needed officers and non-commissioned officers who could channel soldiers' energy in the right direction. Our task today is the same as has always faced the Army: to take those young people who join us, transform them from civilians into soldiers, and train them well so as to produce soldiers who are better as individuals, better as members of the team, and better as citizens once they return to civil life after honorable service in uniform.

In this sense, the quality of any Army is determined more by its leaders than by its junior soldiers. Good leaders can make good units; they can create an environment in which pride, professionalism, confidence, candor, esprit and motivation can flourish. They can take care of their soldiers and make the best want to reenlist. Those who measure up have done so. Our reenlistment rates today are among the highest we have experienced in the volunteer environment, and we are meeting the reenlistment objectives we had previously set.

I have focused much of my talk on issues surrounding our soldiers that have received considerable national publicity lately. Much fuel for that debate has been based on anecdotal evidence. I submit that the views of one drug abuser, while important in themselves, should not be used to characterize the whole Army, just as the opinions of one sergeant cannot reflect accurately on the state of readiness of the whole Army.

Those of us in uniform generally have a tendency to hark back to the good old days, to wish to return to the comforts of a seemingly remembered past rather than face the possible discomfort of an unknown future. But as the old sergeant once said, "The Army ain't like it used to be, and it never was." Wishful thinking about the past will not solve today's challenges. What we in the Army must do is to recognize our challenges today in their human dimensions and, with the resources available to us, do something about them.

Our Army has plotted a careful course between constancy and change. We have adjusted to change in the international environment, and we have adjusted to the dynamics of the society from which we spring. At the same time we have held true to the enduring values of integrity and honor, to the bedrock of professional competence, and to the firm principle of civilian control. If we are indeed to defend our society — and our society's right to change its own values — then the constant values of our commitment to service must remain unalterably fixed.

Before I close, I want to reiterate one point very clearly. Our Army today faces many challenges, just as it always has and always will; and, as in the past, we intend to meet them. Not the least of these challenges is taking what our Nation gives us — in the way of material resources and in the way of young men and women — and fashioning a proud Army, professionally competent, capable of securing the interests of our Nation in concert with the other Services, and providing an environment in which good soldiers and their families want to serve and live. The soldiers in our Army are doing just that, and they are doing it well. I am proud of them; you veterans can be proud, too. The soldiers need your support; they deserve your support. And I solicit your continued support of them.

NATIONAL COMMANDER SMITH: General Rogers, we appreciate very much your taking the time from a busy schedule to be with us today.

As you know, The American Legion from its founding by the World War veteran in an Organization which has long supported and advocated a strong national posture by this Nation, and one that hopes and prays that there will not be another conflict for us to gain members from, we believe and will continue to work to be certain that our support of our Nation's posture will be such that people will know of our will, and know that we are leaders in the free world, and will support our Nation in its endeavors as a strong Nation forever.

PRESENTATION

THE AMERICAN LEGION FOURTH ESTATE AWARD

By: National Commander Smith
To: Mort Cooper, Cartoonist
and
Milton Caniff, Cartoonist

NATIONAL COMMANDER SMITH: The American Legion's Fourth Estate Award is being made for the 21st time this year at this Convention. The award is made annually by the National Commander on recommendation of the Public Relations Commission to those national communications media for individuals whose policies or work reflect the concerns and programs of The American Legion. During that time many prestigious publications, broadcasting outlets and individuals have been honored for their service to America. Our recipients this year represent the concerns that The American Legion has had since our founding.

Both individuals appear daily and Sunday in most of the Nation's newspapers through the King Syndicate. Both feature our national defense policies in their work, one in a humorous vein, the other in a more serious manner.

Our first recipient, a combat veteran of World War II, had just begun drawing a comic strip about a young man in college when the Korean War broke out. Along with millions of other young men, Beetle Bailey was called, and is today the Army's oldest living Private. Beetle may poke a little fun, but his essential concern for others and his Nation comes through strongly.

It is my pleasure and privilege to be able to present The American Legion Fourth Estate Award to the creator of Beetle Bailey, Mr. Mort Walker.

ACCEPTANCE

Mr. Mort Walker
Cartoonist of Beetle Bailey

Thank you very much, Commander Smith. Ladies and gentlemen, this is more than a great honor.

To me it is an affidavit that the American G.I. is the best adjusted soldier in the world. Mental health is often equated with a sense of humor and being able to laugh at yourself is the highest form of stability. There was so much good humor among the men I served with during the War that it has kept me supplied with material for my comic strip for 28 years.

That you relate to it and see yourselves in these humorous situations indicates what really big men you are. It's fun to be among you again, and I'm sure this Convention will keep me supplied with laughs for months to come.

NATIONAL COMMANDER SMITH: Thank you, Mort. We appreciate your being here. I can tell you that I enjoy Beetle Bailey each day. He starts me off properly, as well as the comic strip of Steve Canyon, which I will be talking about in a moment.

Our second recipient of the Fourth Estate Award began his strip prior to the United States entering World War II. His Terry and the Pirates focused on events in Asia, and even though he later gave that strip up, his later "Male Call" and still later Steve Canyon, have focused on the needs and concerns of America's fighting forces.

A bit of, I guess, personal privilege, many of you have heard, since being here, that one of the models, or the model for Terry was the National Judge Advocate Bert Davis. I'm certain that you know that the years have put a little gray in his hair, but you might see if you can remember, and I'm certain that many of us can remember that, maybe there is a resemblance.

He has received several awards from the Air Force and The Department of Defense,

as well as other organizations for the efforts he has made to better acquaint the American public with our national defense systems.

ACCEPTANCE

Mr. Milton Caniff
Cartoonist of Steve Canyon

Receiving the Fourth Estate Award of The American Legion is satisfaction enough for me, but I can only imagine what it would have meant to my father, if he had lived to be present today.

When I was born, my dad was top shirt in Dog Company Infantry, Ohio National Guard, Hillsboro, Ohio.

When I was baptized I was named Milton Arthur, after Milton Wedding, captain, and Arthur Underwood, First Lieutenant, of the local unit. I can't recall any neater form of apple-knocking than that.

My parent joined The American Legion at once when he returned from service after the Armistice and I can truly say that my drawing lessons by mail began when his copies of The American Legion Magazine started coming to our house. I was too young to be accepted by the correspondence schools of the day, but I had Wally Wallgren, Harvey Dunn, Percy Crosby and the other great contributors to copy when that beautiful publication showed up in our box. My father had a hard time stealing a glance at the magazine before I whisked it off to the attic.

When World War II began, some readers of Terry and the Pirates expressed surprise that I should be able to draw military gear so realistically, in spite of never having been in service. Little did they know that I had been practicing since the day that first issue of The American Legion Magazine followed my father's payment of his dues.

I have a rare distinction to go with the honor of the Fourth Estate Award: I am probably the only man in this room who was 4-F in W.W. Deuce.

Living in the country, I was called up in the draft fairly early and had one free lunch off the Army. I went in for the physical after breakfast, and was kicked out before dinner. Uncle Sam was not going to risk $10,000 insurance on a guy with phlebitis, who could become a statistic merely by dropping a rifle butt on his little toe in basic training.

At once I began suffering from what Bill Mauldin calls "Home Front Neurosis," which is that distressing sense of knowing other male citizens your age are getting their tails blown off while you sit at home in relative comfort and safety. This is hard to shake even though every man in uniform will tell you to relax. "If old candy pants wants you he knows where to find you."

The Fourth Estate Award was, I am sure, created to honor people who have earned the regard of Legion members by what they have done in media. In light of the guilt feeling I had at not being in uniform: We sometimes forget that every person in the war correspondent category had to have been rejected by his draft board before he could even be accredited by the War Department.

But no matter how warmly the troops accepted Miss Lace in Male Call and how closely they followed Terry and Flip Corkin in Terry and the Pirates, sitting in a studio in New York was nothing like voluntarily doing the jobs Ernie Pyle, Bob Considine, John Hersey, Ed Murrow and less well-known communicators performed during MY war, Korea and Vietnam. Many were my good friends.

So many of them are gone now; some died in action, others as the result of hurts that would not let up, and finally took their toll. Still more have succumbed to the attrition of shrinking time.

Binyon, the Canadian poet, said it best, I think: "They shall not grow old, as we that are left grow old. Age shall not weary them, nor the years condemn. At the going down of the sun, and in the morning, we shall remember them."

NATIONAL COMMANDER SMITH: To Mort Walker and Milt Caniff, we appreciate your being here with us, and we certainly think that the comic strips are our way sometimes at looking at ourselves and getting a laugh from that. Thank you for being with us at this time.

NATIONAL COMMANDER SMITH: To those of us who served during World War II and subsequent conflicts, the presence of the United Services Organization, with its entertainment, recreation and social activities provided our one true link with home and civilized life during a difficult time in our lives.

I am proud to be able to say that our Organization and the USO are friends, our goals for the support of America's servicemen and women are compatible, and we value their friendship as much, I hope, as they value ours.

It gives me a great deal of pleasure to introduce to you honored guests, delegates, ladies and gentlemen, the World President of the USO, Mr. James Barrett. Jim?

ADDRESS

James Barrett
World President, USO

It is indeed a pleasure to be here today to bring you greetings from the more than 40,000 volunteers throughout the world who man more than 100 facilities, who have helped those in the American armed forces enjoy a pleasant existence. The USO I am pleased to report is alive, happy, willing, ready, and able to carry out its mission.

As General Rogers has admonished us, the USO has changed with changing times. Today our mission is to humanize the off-duty environment in which the serviceman lives so that he can concentrate on maximizing his combat efficiency.

While it is true that you can still get the ready smile, a doughnut and congenial atmosphere at the USO, our programs today have traveled far afield into the world of outreach so that we can assist the serviceman. We attempt to help him in his daily life, inculcating into the community in which he and his dependents are living.

While we are carrying out this primary mission we have not forgotten our comrades who have served previously, and the USO is proud today of its series of shows that visit the Veterans Administration installations. Today more than ever the USO is seeking your support and the support of those in your community. We are reaching out again to the United Ways in your communities to the combined Federal campaigns in those cities where they exist and overseas askiing those to help us as we try to help others.

I am pleased, Commander Smith, to tell you that Mr. USO, Bob Hope himself, has authorized the creation of a Bob Hope Center in our Nation's capitol, where we can conduct research on how to carry out the important tasks of our organization.

We do sincerely appreciate the continuous support that The American Legion has given us in our work. You are truly an inspiration to us. Thank you very much.

NATIONAL COMMANDER SMITH: Mr. Barrett, we appreciate so much your being with us today. When I made my trip to Europe I had occasion to visit with your representative in Paris to learn of some of the things which they are doing in that area. Certainly The American Legion has supported and will continue to support the USO, and we know that you are providing a service to our men who are in our armed forces. Thank you for being with us.

PRESENTATION OF PLAQUE AND COLORS

To: Outgoing National Commander
Robert Charles Smith
By: Jesse Boucher (Louisiana)

At the beginning of the year when the Colors of this Nation and the emblem of The American Legion were presented to you; you pledged, and I quote, "To carry these Colors high and return them at the end of my year untarnished and waving proudly."

The American Legion is an Organization of veterans dedicated to God and Country; for service to all its members, to the veterans of the Nation, to a continued strong United States of America.

The challenges have been many during your year and you carried our banner high in opposing the Panama Canal Treaties as not being in the best interest of our Nation, in giving leadership to the support of programs affecting the veterans, such as in the attack of veterans preference, in urging members of the Congress to enact measures which will maintain and improve our Nation's security posture. The list of your accomplishments as a leader of our great Organization continues on and on.

The American Legion and this Nation are grateful for your leadership. You, the first Legionnaire from Louisiana to be elected National Commander of The American Legion, have truly carried your Colors high and returned them with honor, representative of the greatness of this nation.

I have travelled with you many years in your various activities, and as you will remember, long ago I urged you to seek the office of National Commander. You have always exhibited great passion, integrity, and responsiveness to the many challenges which have faced you. You have managed to combine your service to The American Legion with the devotion to an active participation in the affairs of your church and community; while at the same time you have been a warm and loving family man and a loyal friend and neighbor.

It is my honor and privilege as a lifelong personal friend to present on behalf of all members of The American Legion your Colors. Take them with the assurance that you have contributed to the continued greatness of the world's largest and greatest Veterans Organization, The American Legion.

The Colors were presented, saluted, and retired.

NATIONAL COMMANDER SMITH: Thank you, Jesse, for the presentation of the Colors and the plaque. I accept the Colors and I accept the plaque with humility from each of you and all members of The American Legion.

Truly this year has been one of a highlight for me. The honor of serving as your National Commander has been an honor which I shall always remember, and I am quite certain that no other accomplishments will ever exceed this which you have bestowed upon me. I pledge to you and to all of the members of our Organization my continued activity on your behalf in whatever capacity that you or the next National Commander or the Commander of my Post or Department thinks that I can give to them.

The American Legion is an Organization which is dedicated to God and Country, and I fully believe that this we must continue and this we must give more emphasis. We have to have participation of those who are concerned, and certainly I know that the members of The American Legion will continue its fight for a strong national security posture, for legislation which will benefit the veterans of this nation, and to see that none of these benefits are taken away from the veteraan who have been disabled and so justly deserve them.

Certainly on behalf of my family and me, I accept the Colors and the plaque with humility and I look forward to meeting and being in the National Convention City next year as a Past National Commander, thank you.

ELECTION OF NATIONAL COMMANDER

NATIONAL COMMANDER SMITH: This Convention is now ready for a special order of business, the election of National Officers.

John M. (Jack) Carey of Michigan was nominated and elected by acclamation to the office of National Commander.

ACCEPTANCE SPEECH

John M. Carey
National Commander

As the first duty I would like to do, I would like to introduce the people that have allowed me to get here and to thank them for everything that they have done in the past 30 years that have been connected with The American Legion. And to a very wonderful gal, my wife Milly.

Our son John, and his wife Beverly.

My daughter Frances and my daughter Marcia. And the gal who celebrated her 75th birthday and brought me into this world, my mother. My sister Frances and her husband Charles Reihl.

You have honored me with election to the highest office in The American Legion, and my feelings at this moment would be hard to describe to anyone who has not stood in this spot.

All of this would not be possible without the cooperation and understanding and assistance of that great family that I just introduced to you.

Ladies and gentlemen, you made this possible. You have given it to me, and I thank you for the vote of confidence. In return, I promise you and The American Legion my total efforts in this coming year on behalf of the many great causes which our Organization champions.

Before proceeding any further with a brief message I have for you today, and it will be brief, will you please join with me in a round of applause in appreciation for a job, a tremendous job well done by our retiring National Commander Robert Charles Smith of Louisiana.

Thank you and my personal thanks to you Commander Smith.

I am confident I inherit from you, and all Past National Commanders, an Organization with a sense of direction, a sense of deep responsibility to those good works to which we are committed, a love of Country that ever renews our faith in the American dream, and a sense of urgency that tells us we must be on the move immediately to grow in wisdom and in numbers to remain a force for good for the land we love.

Our retiring National Commander, in his report to this Convention two days ago, noted some of the needs of The American Legion for continued growth, among them being a new sense of dedication to the organization, a vibrant new Post program, and an all-out assault on the problems of membership in the larger urban areas.

I subscribe to those remedies. I have firsthand knowledge of the need for renewed and revitalized American Legion efforts in the urban areas of this great land. I propose to follow through with those programs which have been undertaken, and which are proving successful, and to initiate new programs which show promise of helping us to achieve our objectives.

We have heard a lot of discussion as to which comes first, membership or program, but I feel the real answer is something like the title of the once popular song: "You can't have one without the other."

However, this is not the time to launch into a lengthy discussion of membership as important as that subject is. Let's just say it is one of those things we are going to give a great deal of attention to right away, but we shall also move ahead on a broad front to give the proper emphasis to all of the great programs of The American Legion as well as to those challenges which lie immediately ahead.

The challenges are many and they are difficult, but they can and will be met. National Security, as always, will be demanding a major effort from The American Legion in the coming year. It is not easy to sustain support for an adequate system of military preparedness when we are not at war and the need is not readily apparent to everyone.

However, the need is no less real when we know there are foreign ideologies ready to destroy our nation, and the freedoms we enjoy as citizens of this land of the free, when they think they can do so without suffering massive retaliation. World domination always has been an objective of the international communist conspiracy, and that objective never has been renounced.

It has been said that the country which is prepared to defend is much less likely to be challenged to do so. The American Legion believes in that philosophy which so often is voiced in the world of athletics by phrases such as: "The best defense is a good offense;" or "You can't score if you don't have the ball." This is American Legion theory with regard to our national security capabilities, maintain a good offense and keep control of the ball.

We have been hurt in this area of national security since our support has been for the Triad concept of national defense, and that concept has been battered by the decision to scrap the B-1 bomber. The manned bomber as a delivery system for strategic weapons was considered by The American Legion as an essential part of that system to replace the B-52 which is obsolete.

The strategic missile arm of Triad is the Minuteman III in fixed silos. We have the M-X missile system on the drawing board, but it can't defend us from there. The new defense budget has funds for further research on the M-X, but nothing for construction and deployment. It is essential that we get beyond the research stage immediately and for production and deployment to begin as soon as possible. We shall bend our every effort in that direction for the good of America, for the preservation of freedom.

The neutron bomb, which many military experts believed would help us maintain a strategic edge, and which might have been used as a lever in getting SALT talks off dead center, is under a cloud of indecision, and we would hope a positive decision might be forthcoming on that system in the near future.

Our Navy, the third leg of the Triad, also has been underbudgeted for new ship construction. Your American Legion will continue to press for positive action on all fronts to help bring our defense force into an ever-ready competitive situation as compared to the Soviet Union.

Throughout my campaign for this office I have hammered away at the philosophy of "peace through preparedness." I firmly believe in this approach to the national security of our beloved America, and as your National Commander I will continue to press for an American defense capability second to none.

Another area that is going to require our continued vigil is that of veterans affairs. We are looking at a threat to the VA hospital-medical system as posed by the now two-year old report of the National Academy of Sciences, which recommends the hospital medical system be stripped from the VA and made a part of the health delivery system of the local community.

The Veterans Administration faces additional threats in that educational programs available to veterans under the G.I. Bill, an American Legion creation, now are being recommended as a part of a vast new Department of Education program, which is contrary to our long-standing position that the VA be maintained as a one-stop Federal agency handling all Federal veterans benefit programs.

Much work remains to be done. I believe The American Legion is capable of doing the job we have cut out for ourselves for America, for America's veterans and for all of her people. I now ask each of you to join with me in an all-out effort to reinforce The American Legion with an unbeatable strength and spirit that will help us accomplish those things we seek to do.

In closing, I would ask each of you to join with me as I paraphrase the words of the Chaplain of Michigan's Tenth District who recently offered the following prayer: To ask God to grant to me the strength, wisdom, humility and all the attributes necessary for me to fulfill the duties and obligations of this highest office in The American Legion and that sunlight shall be between all of us and the dark side of the street so that our actions and deeds shall be sound and just for our Organization and all of the United States of America.

Thank you and I look forward to seeing all of you in your home Departments in the near future.

PAST NATIONAL COMMANDER SMITH: The National Adjutant will now proceed to call the Roll for the purpose of receiving nominations of National Vice Commander.

ELECTION OF NATIONAL VICE COMMANDERS

The following were elected National Vice Commanders by acclamation and without opposition: John H. Wienand, Jr. of Alabama, L. Max Connolly of Arizona, Alvin F. Grauerholz of Kansas, Joseph F. Ward of New Jersey and Nathan M. Wolfe of South Carolina.

PRESENTATION OF COLORS TO INCOMING NATIONAL COMMANDER

Leonard B. Zimmerman (Michigan)

Mr. Commander, and delegates, it is a single honor for me to stand before you today to present to my friend, our Commander, the Colors of our great Nation and the Colors of our truly great National Organization, The American Legion.

Jack, your highest honor was to have been privileged to have served our Nation in time of war, thereby gaining additional honors of the privilege of membership in the greatest Veterans Organization in the world, The American Legion, two and three quarter million strong.

Do you accept that additional honor?

Your service to our Nation in times of peace and subsequent wars, your service to veterans, their widows, orphans, and dependents, and to our Organization is well documented and attested to.

Our accomplishment in defense of the rights of our membership and other veterans less fortunate than we, the disabled, the unemployed, the distressed, are dependent upon your continued leadership for assistance. As you accept your badge of office and the awesome responsibility of leading our Organization in battle this ensuing year, keep in mind the high tradition symbolic in these banners as they unfurl before you. Hold them high, keep them clean and unsullied to be returned upon the close of your term of office with the highest tradition maintained.

As you travel with these Colors through the length and breadth of this great land and throughout the world in defense of our national policies, and the assurance of the United States of America remaining a number one leader in world affairs and in our journey down the road in our pursuance of a peace everlasting, may you travel onward and upward but forever forward. Travel with good luck, God's speed, and may the wind always be at your back. I present you Colors, good friend, and go upon your way. Congratulations, sir.

NATIONAL COMMANDER JOHN M. CAREY: Thank you, Len. To you as a very dear friend, to all the Legionnaires of this Country and to all citizens of the United States of America, that is the greatest banner that anyone could every admire, fight for, give their life for, and I shall do everything in my power to keep it in that position for me and for everyone else. Thank you, Len.

NATIONAL COMMANDER SMITH: Is there any further business to come before this Convention? I would make this announcement to the members of the National Executive Committee. National Commander Jack Carey has called a meeting of the National Executive Committee which will be conducted immediately following the close of this session on the platform. Is there any further business to come before the Convention?

The outgoing Chaplain Father Walter D. Power of Maryland will offer the Benediction.

BENEDICTION

Father Walter D. Power
National Chaplain

Our work begins, our work goes on. Our work will continue as it should until we achieve full justice for our comrades, until we achieve world peace, until we achieve security for our beloved country.

Father, in this regard and for these ideals we thank You for the officers of The American Legion who have in this past year led us on this path, and we thank You for the officers who will do likewise in the year ahead.

Fther, we thank You for bringing to our Convention these dedicated men and women who also love You and love our country. We ask You for a safe journey home for all, and God bless, Amen.

NATIONAL COMMANDER SMITH: The Color Bearers will retire the United States Flag.

(The Color Guard advanced and retired the Colors. The membership stood at Hand Salute.)

PAST NATIONAL COMMANDER SMITH: I now declare this 60th Annual National Convention of The American Legion officially adjourned.

(At 12:40 p.m., the 60th Annual National Convention of The American Legion adjourned sine die.)

ANNOUNCEMENT OF ANNUAL AWARDS AT NATIONAL CONVENTION

August 22-24, 1978, New Orleans, Louisiana

The Hanford MacNider Trophy — Awarded annually to that Department in each of five categories established by the National Membership and Post Activities Committee, each of said Departments having the highest percentage of advance membership as of December 31 of each year as compared with its total number of members for the year just closing. (Roman numerals denote categories.)

WINNERS — (I) — Ohio (85.91%), (II) — Louisiana (88.13%), (III) — South Dakota (87.31%), (IV) — South Carolina (86.65%), (V) — Nevada (84.36%).

The Henry D. Lindsley Trophy — Awarded annually to the Department attaining the highest percentage of membership over its preceding year's membership by March 31.

WINNER — Arizona (98.80%)

The North Carolina Trophy — Awarded annually to that Department not included among the several state Departments or the Department of the Distrrict of Columbia attaining the highest percentage of membership, as of March 31, over its preceding year's membership.

WINNER — Puerto Rico (91.32%)

The John G. Emery Trophy — Awarded annually to that Department showing the greatest percentage of gain over its previous year's membership as of May 1.

WINNER — Arizona (102.19%)

The John R. Quinn Trophy — Awarded Annually to that Department which on December 31 has achieved the highest percentage of its previous all-time high membership with the provision that in the event no Department attains an all-time high, the award will not be made.

WINNER — Alaska (1977) (108.92%)

General Henri Gouraud Trophy — Awarded annually to that Department in each of five categories established by the National Membership and Post Activities Committee, each of said Departments having been the first in its respective category to attain or exceed its nationally assigned membership quota (effective 1975). (Roman numerals denote categories.)

WINNERS — (I) — Minnesota (3-27-78), (II) — Nebraska (3-16-78), (III) — North Dakota (1-3-78), (IV) — Arizona (4-3-78), (V) — Idaho (3-16-78).

The Alvin M. Owsley Trophy — Awarded annually to that Department whose ensuing year's membership, as of the close of the Veterans Day competition, attains the greatest percentage when computed using the average of its official final membership for the previous four years (effective 1968).

WINNER — South Dakota (79%)

The O. L. Bodenhamer Trophy — Awarded annually to that Department designated to lead the parade at the time of the ensuing National Convention.

WINNER — Idaho (106.75%)

The Henry L. Stevens, Jr., Trophy — Awarded annually to that Department attaining the highest percentage of its membership quota at the time of the Annual "Big Ten" Pledge as finally confirmed.

WINNER — North Dakota (100.25%)

General John J. Pershing Honor Award — Awarded annually to that Department having the greatest percentage of its posts receiving the Honor Ribbon for having 100 per cent, or more, of the post's previous year's membership enrolled for the coming year by December 31, and having reported such achievement to National Headquarters by not later than January 31.

WINNER — Idaho (81.96%)

The Arthur D. Houghton Sons Of The American Legion Trophy — Awarded annually to that Detachment of Sons of The American Legion in each of two membership size categories (1,000 members and more, and under 1,000 members), each of said Detachments attaining the greatest percentage of increase over previous year's membership when compared with all Detachments in its category. (Roman numerals denote categories.)

WINNERS — (I) — New Hampshire (1977) (140.55%), (II) — Michigan (1977) (119.89%)

National Service Trophy — Awarded annually to that State Department of The American Legion excelling in Welfare Work for War Veterans, providing the membership of that Department shall be no less than 80% of the membership of the preceding year.

WINNER — Pennsylvania

The Frank N. Belgrano, Jr., Trophy — Awarded annually to that Department which has rendered the most outstanding service during the period August 1 to August 1 to the program of the Boy Scouts of America.

WINNER — Iowa

The Ralph T. O'Neil Education Trophy — Awarded annually to that Department, within the continental limits of the United States showing greatest Americanism activity in use of The American Legion School Medal Awards.

WINNER — District of Columbia

Hearst Trophy — Awarded annually to that Department attaining the greatest number of percentage points compiled from information contained in the Consolidated Post Reports, and supporting Department narrative.

WINNER — Maine

Spafford National Trophy — Awarded annually to that Department of The American Legion having within its jurisdiction the winner of the National High School Oratorical Contest.

WINNER — Oklahoma (Debra Annette Morris, Lawton, Oklahoma)

Howard P. Savage Trophy — Awarded annually to that Department having within its jurisdiction the Baseball Team which becomes the Champion as a result of playing in The American Legion "World Series."

WINNER — Florida

Commissioner of Baseball Trophy — Awarded annually to the national championship team of the World Series of American Legion Baseball.

WINNER — Sullivan-Babcock Post No. 32, Hialeah, Florida

Dr. Irvin L. "Click" Cowger R.B.I. Memorial Award — Awarded annually to that American Legion Baseball player who is credited with the most runs batted in by the official scorers of the respective regional tournaments and World Series of American Legion Baseball.

WINNER — Pete Kumiega, East Springfield, Massachusetts

Rawlings "Big Stick" Award — Awarded annually to that American Legion Baseball player who is credited with the most bases as determined by the official scorers of the respective regional tournaments and World Series of American Legion Baseball.

WINNER — Ivan Mesa, Hialeah, Florida

Bob Feller Award — Awarded annually to that American Legion Baseball player participating in the Regional Tournaments and World Series of American Legion Baseball who records the greatest number of strikeouts in such competition.

WINNER — Glenn Roe, Caldwell, New Jersey

Ford C. Frick Trophy — Awarded annually to that Department having within its jurisdiction the runner-up in the National Finals of the Baseball program.

WINNER — Massachusetts

The Paul V. McNutt National Postal Rifle Match — Awarded annually to that team winning the annual National Postal Rifle Match.

WINNER —

The American Legion Military Academy Award — Awarded annually to that cadet of the graduating class at the United States Military Academy with the highest standing in Chemistry.

WINNER — Thomas D. Hook, Moraga, California

The American Legion Naval Academy Award — Awarded annually to that graduating midshipman at the United States Naval Academy who stands highest in those English, History, and Government courses taken to complete a Foreign Affairs major.

WINNER — Kevin Peter O'Keefe, Fairfax, Virginia

The American Legion Coast Guard Academy Award — Awarded annually to that cadet of the graduating class at the United States Coast Guard Academy who is considered to have excelled personally in athletics.

WINNER — Michael P. Butler, Wilmington, Delaware

The American Legion Air Force Academy Award — Awarded annually to that cadet of the graduating class at the Air Force Academy who demonstrates the highest proficiency in all academic subjects.

WINNER — Richard A. Searfoss, Akron, Ohio

Paul H. Griffith R.O.T.C. Trophy — Awarded annually to that Department giving the highest degree of support to the ROTC program within its jurisdiction, based on criteria drawn up by the National Security Commission.

WINNERS — Delaware, District of Columbia, Minnesota, Nevada, Maine, and Panama Canal Zone.

The Russell G. Creviston Trophy — Awarded annually to that drum corps winning first prize in competition with all other drum corps during the annual National Convention.

WINNER — Westshoremen, Inc., Post No. 272, Linglestown, Pennsylvania

The General Frank R. Schwengel Trophy — Awarded annually to that Senior Drum and Bugle Corps winning first prize in competition with all other Senior Drum and Bugle Corps during the annual National Convention of The American Legion

WINNER — Westshoremen, Inc., Post No. 272, Linglestown, Pennsylvania

The Stratford Cup — Awarded annually to The American Legion Drum and Bugle Corps winning first place in the Preliminary Competition during the annual National Convention.

WINNER — No Contest

The Lemuel Bolles Trophy — Awarded annually to that band winning first prize in competition with all other bands during the annual National Convention.

WINNER — Joliet Legion Band, Post No. 1284, Joliet, Illinois.

The Arch M. Cantrall Trophy — Awarded annually to that American Legion Band winning first prize in competition with all other American Legion Bands during the annual National Convention of The American Legion.

WINNER — Joliet Legion Band, Post No. 1284, Joliet, Illinois.

The Four Chaplains Trophy — Awarded annually to the winner of the Firing Squad competition at the National Convention of The American Legion.

WINNER — Berryhill Post No. 165, Midland, Michigan.

The Glen R. Hillis Trophy — Awarded annually to that Color Guard winning first prize in competition with all other Color Guards during the annual National Convention of The American Legion.

WINNER — First National Bank of Chicago Post No. 985, Chicago, Illinois

The Cleveland Trophy — Awarded annually to that Sons of The American Legion Drum and Bugle Corps winning first prize in competition with all other Sons of The American Legion Drum and Bugle Corps during the annual National Convention of The American Legion.

WINNER — No Entry

The J. Guy Griffith Trophy — Awarded annually to that Post of The American Legion sponsoring the National Champion Junior Drum and Bugle Corps.

WINNER — Long Island Kingsmen, Post No. 944, Kings Park, New York.

The Garbarina - Mazarakos Memorial Trophy — Awarded annually to that Junior Sponsored Drum and Bugle Corps winning first prize in competition with all other Junior Sponsored Drum and Bugle Corps during the annual National Convention of The American Legion.

WINNER — Long Island Kingsmen, Post No. 944, Kings Park, New York.

The Alonzo Cudworth Post Trophy — Awarded annually to that American Legion Chorus winning first prize in competition with all other American Legion Choruses during the annual National Convention of The American Legion.

WINNER — Singing Legionnaires Post No. 15, Sioux Falls, South Dakota.

Emblem Sales Trophy — Awarded annually to that Junior Sponsored Color Guard winning first prize in competition with all other Junior Sponsored Color Guards during the annual National Convention of The American Legion.

WINNER — Buccaneers, Post No. 1, Milwaukee, Wisconsin.

Membership and Post Activities Trophy — Awarded annually to that Junior Sponsored Drum and Bugle Corps winning first prize in competition with all other Junior Sponsored Drum and Bugle Corps during the annual National Convention of The American Legion.

Kings Park, New York.

National Adjutant's Trophy — Awarded annually to that American Legion Firing Squad winning first prize in competition with all other Firing Squads during the annual National Convention of The American Legion.

WINNER — Berryhill Post No. 165, Midland, Michigan.

National American Legion Distinguished Service Medal Award —

WINNER — Bowie K. Kuhn

National One Year Post History Contest — Awarded annually (with the exception of each fourth year at which time a National Department History Contest is held) to that contestant winning the One Year Post History Contest.

WINNER — (1977) Minneapolis-Richfield Post No. 435, Minneapolis, Minnesota.

International Amity Award — Awarded by the National Commander with the advice and consent of the National Executive Committee at such times and places as may be consistent and appropriate.

WINNERS — Pierre Taillacoit (France) and Maeng Kee Lee (Republic of Korea)

Canadian Friendship Award — Awarded by the National Commander with the advice and consent of the National Executive Committee at such time and places as may be consistent and appropriate.

WINNERS — Donald C. Armstrong
Theodore E. Shaman
William A. R. Simmons
William Barteaux, Sr.
William Barteaux, Jr.
John P. Cole
Mrs. Alexandria Wallner
James G. Alcorn
Clifford Boutilier
Ronald Murphy
Frank Jull
M. J. Barnett
William M. Graham
William Cook
Frank E. Rice
Cyril T. Smith
Leopold Sylvain
William Kieswetter
J. S. Redfern
Orville M. Grasley
O. George Martin
Harry J. Tait
William Walden Rewcastle
William Allen
Edward Hodgert
Tom Reynolds

National Area Children & Youth Reporting — Awarded annually to that Department in its respective area showing the greatest rate of increase in the number of Posts showing Children & Youth activity, as contained in

the Consolidated Post Report, as compared with the previous year.

WINNERS — New England Area: Rhode Island; Middle Atlantic Area: Delaware; Southern Area: Arkansas; Midwestern Area: Wisconsin, and Western Area: New Mexico

Department Award for 100% Post Children & Youth Reporting — Awarded annually to those Departments which achieve 100% of Posts indicating Children & Youth activity on Consolidated Post Reports.

WINNERS — Arizona, District of Columbia, New Mexico, North Dakota, and Vermont.

Fourth Estate Award — Awarded to press, radio, television, or other communications media; to associations of same; to owners, executive heads, or staff members; such award to be in recognition of outstanding service to community, state, or nation, which service shall have been in accordance with or the furtherance of established American Legion policies or programs.

WINNERS — Milton Caniff and Mort Walker

National Commander's Public Relations Award — Awarded to an outstanding individual and/or organization for distinguished public service in the field of communications.

WINNER — Stanley Roger (Stan) Smith

Employer Of The Year Award For Hiring Veterans — Awarded to an employer in recognition of outstanding achievement in the employment and regaining of veterans.

Category I (Employers of more than 200)

WINNER — Dolese Company, Oklahoma City, Oklahoma

Category II (Employers of 200 or fewer)

WINNER — Blackmon Oil Company, Inc., Columbus, Ga.

National Convention Golf Tournament Traveling Trophy — Awarded annually to the winner of the golf tournament conducted during the National Convention.

WINNER — Francis J. Sanfilippo

One Hundred Per Cent Membership Honor Plates — Awarded annually to each Department of The American Legion attaining 100% or over of its preceding year's membership 30 days prior to the National Convention.

WINNERS

Department	Percentage
Italy	166.72
Mexico	114.14
Philippines	107.80
Arizona	106.62
Puerto Rico	106.49
Virginia	103.44
Idaho	102.89
Florida	102.34
New Mexico	102.27
Maryland	102.02
Alaska	101.99
Utah	101.68
Nevada	101.49
South Carolina	101.13
Texas	100.93
West Virginia	100.45
North Carolina	100.13
Minnesota	100.05

Exhibit A

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Statement of Income

Year Ended December 31

	1977	1976
REVENUES:		
National dues	$ 9,294,973	$ 6,804,043
Deduct: Dues allocated to:		
Rehabilitation	663,455	678,773
Publications Division	3,983,452	2,722,782
	4,646,907	3,401,555
Dues available for current operations	4,648,066	3,402,488
Publications Division (including dues allocation)	5,845,284	4,445,867
Emblem Division	2,866,016	3,027,413
Restricted income	321,405	306,608
Other income	734,511	585,940
	14,415,282	11,768,316
EXPENSES:		
Publications Division	5,429,676	4,985,516
Emblem Division	2,583,092	2,642,389
Salaries and employee benefits	2,930,006	2,841,922
Executive and staff travel	305,543	336,605
Commission and committee	523,621	654,042
Operational	825,648	764,415
Office	479,958	467,360
Occupancy and usage	326,186	230,735
Special projects (net of related income)	462,341	515,538
Charges to other areas (Publications, Emblem, Children and Youth, Veterans Affairs and Rehabilitation)	(1,384,461)	(1,326,142)
	12,481,610	12,112,380
NET INCOME (LOSS) — exhibit C	$ 1,933,672	$(344,064)

See accompanying notes to financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Statement of Financial Condition

	December 31 1977	 1976
ASSETS		
CURRENT FUNDS:		
Cash on deposit and on hand	$ 1,018,124	$ 1,155,291
Accounts receivable:		
Emblem and Publications Divisions	306,621	257,235
Other	110,259	29,336
Inventories—at cost:		
Publications Division	811,480	499,052
Emblem Division	632,014	563,623
Prepaid expenses, supplies, advances and deposits	232,050	184,863
Investments—at cost (market value $11,048,150 in 1977, $10,031,056 in 1976)—note 3	11,009,448	9,773,137
Furniture, fixtures and equipment—at cost	844,263	773,921
Deduct: Accumulated depreciation	545,632	509,279
	298,631	264,642
Washington, D.C. real estate—building and site—at cost	845,117	821,217
Deduct: Accumulated depreciation—note 4	385,433	370,608
	459,684	450,609
Add: Funded depreciation reserve (securities—market value $386,711 in 1977, $388,980 in 1976)—note 4	385,433	370,608
Total current funds	15,263,744	13,548,396
NONEXPENDABLE TRUST FUNDS:		
Overseas Graves Decoration Trust Fund:		
Uninvested cash	10,807	9,948
Investments—at cost (market value $344,415 in 1977, $349,779 in 1976)	368,773	359,917
	379,580	369,865
Paid-Up-For-Life Membership Trust Fund:		
Uninvested cash	888	5,175
Investments—at cost (market value $630,606 in 1977, $373,200 in 1976	636,485	363,954
	637,373	369,129
Employees' Retirement Trust Fund—note 6:		
Uninvested cash	26,860	24,806
Accounts receivable from participating units	74,586	61,819
Investments—at cost (market value $8,489,169 in 1977, $7,969,718 in 1976)	8,651,609	7,753,352
	8,753,055	7,839,977
	$25,033,752	$22,127,367

See accompanying notes to financial statements.

Exhibit B

	December 31	
	1977	1976
LIABILITIES AND FUNDS		
CURRENT FUNDS:		
Accounts payable	$ 346,189	$ 222,150
Employees' withholdings	16,093	26,681
Accrued state and federal taxes	4,093	4,114
Emblem merchandise undelivered	95,398	105,268
Membership life insurance premiums payable—note 2	519,295	733,894
Deferred income:		
Dues received in advance	3,911,883	3,960,047
Subscriptions received in advance	2,925,522	2,962,035
Current fund balances—exhibit C:		
Restricted:		
Veterans Affairs and Rehabilitation Fund	570,025	191,538
Children and Youth Fund	168,981	155,152
Restricted Fund—notes 3 and 5	2,738,054	2,550,833
Reserve Fund—note 3	1,735,046	1,131,663
Freedom Bell Fund	165,028	150,139
Cancer Drive Fund	.....	3,808
Other restricted funds	72,450	66,098
Appropriated surplus reserves—note 5	1,113,605	1,129,946
Unappropriated surplus	882,082	155,030
Total current funds	15,263,744	13,548,396
NONEXPENDABLE TRUST FUNDS—exhibit C:		
Overseas Graves Decoration Trust Fund:		
Fund balance	379,580	369,865
	379,580	369,865
Paid-Up-For-Life Membership Trust Fund:		
Fund balance	637,373	369,129
	637,373	369,129
Employees' Retirement Trust Fund:		
Fund balance	8,753,055	7,839,977
	8,753,055	7,839,977
	$25,033,752	$22,127,367

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Statement of Changes in Fund Balances
Year Ended December 31, 1977

	Restricted Funds
BALANCES, JANUARY 1, 1977	$4,249,231
ADDITIONS:	
Dues allocated for rehabilitation	663,455
American Legion Endowment Fund Corporation income transferred to The American Legion	675,000
Contributions received	62,090
Investment income credited directly to fund	194,606
Oratorical contest prizes charged against current operations	44,000
Net income — exhibit A	
	1,639,151
DEDUCTIONS:	
Expenditures charged directly to funds	1,661,759
INTERFUND TRANSFERS—note 5:	
Allocations per National Finance Commission resolutions	1,222,961
Partial reinstatement of reserves as unrestricted funds — amount equal to 1977 expenditures charged to current operations	
	1,222,961
BALANCES, DECEMBER 31, 1977	$5,449,584
	(Exhibit C—sheet 3)

See accompanying notes to financial statements.

Exhibit C
Sheet 1

Statement of Changes in Fund Balances
Year Ended December 31, 1977

Current Fund Balances		Nonexpendable Trust Funds		
Appropriated Surplus Reserves	Unappropriated Surplus	Overseas Graves Decoration Trust	Paid-Up-For-Life Membership Trust	Employees' Retirement Trust
$1,129,946	$155,030	$369,865	$369,129	$7,839,977
			301,595	886,463
		20,469	29,094	522,328
	1,933,672			
	1,933,672	20,469	330,689	1,408,791
		10,754	62,445	495,713
56,449	(1,279,410)			
(72,790)	72,790			
(16,341)	(1,206,620)			
$1,113,605	$882,082	$379,580	$637,373	$8,753,055
(Exhibit C—sheet 2) and (Exhibit B)	(Exhibit B)	(Exhibit B)	(Exhibit B)	(Exhibit B)

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Statement of Changes in Fund Balances
Year Ended December 31, 1977

Current Appropriated Surplus Reserves

	Publications Reserve	Spirit of '76 Reserve	Special Membership Program Reserve	Real Estate Reserve
BALANCES, JANUARY 1, 1977 ...	$105,857	$18,937	$37,452	$820,577
INTERFUND TRANSFERS — note 5:				
Allocations per National Finance Commission resolutions		(18,937)		21,400
Partial reinstatement of reserves as unrestricted funds — amount equal to 1977 expenditures charged to current operations	(2,984)		(31,018)	
	(2,984)	(18,937)	(31,018)	21,400
BALANCES, DECEMBER 31, 1977	$102,873	$	$ 6,434	$841,977

See accompanying notes to financial statements.

Exhibit C
Sheet 2

Statement of Changes in Fund Balances
Year Ended December 31, 1977

Convention Reserve	Employee Insurance Premium Stabilization Reserve	Presidential Inauguration Reserve	An American Legend Reserve	Joint Chiefs of Staff Reception Reserve	Total
$60,000	$ 62,243	$10,000	$14,880	$	$1,129,946
	38,986	5,000		10,000	56,449
		(15,000)	(14,880)	(8,908)	(72,790)
	38,986	(10,000)	(14,880)	1,092	(16,341)
$60,000	$101,229	$	$	$1,092	$1,113,605

(Exhibit C — sheet 1)

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Statement of Changes in Fund Balances
Year Ended December 31, 1977

Current Restricted Funds

	Veterans Affairs And Rehabilitation Fund	Children And Youth Fund
BALANCES, JANUARY 1, 1977	$ 191,538	$155,152
ADDITIONS:		
Dues allocated for rehabilitation	663,455	
American Legion Endowment Fund Corporation income transferred to The American Legion	472,500	202,500
Contributions received	12,510	22,250
Investment income credited directly to fund		
Oratorical contest prizes charged against current operations		
	1,148,465	224,750
DEDUCTIONS:		
Expenditures charged directly to funds	1,369,978	210,921
INTERFUND TRANSFERS — note 5:		
Allocations per National Finance Commission resolutions	600,000	
BALANCES, DECEMBER 31, 1977 — exhibit B	$ 570,025	$168,981

See accompanying notes to financial statements.

Exhibit C
Sheet 3

Statement of Changes in Fund Balances
Year Ended December 31, 1977

Restricted Fund	Reserve Fund	Freedom Bell Fund	Cancer Drive Fund	Other Restricted Funds	Total
$2,550,833	$1,131,663	$150,139	$ 3,808	$66,098	$4,249,231
					663,455
					675,000
		11	18,444	8,875	62,090
187,221				7,385	194,606
				44,000	44,000
187,221		11	18,444	60,260	1,639,151
	641	4,059	22,252	53,908	1,661,759
	604,024	18,937			1,222,961
$2,738,054	$1,735,046	$165,028	$	$72,450	$5,449,584

(Exhibit C—
sheet 1)

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Notes to Financial Statements

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The American Legion National Headquarters reports for financial statement purposes on the accrual method of accounting recognizing income when received and expenses when incurred.

The Legion, which is not taxable for federal income tax purposes (except on unrelated business income), maintains its accounts on a modified fund accounting basis wherein the Legion's accountability for a segment of its fiscal affairs is reflected in various restricted fund balances. While the Legion's general operations are reported in its statement of income (exhibit A), that portion of membership dues, contributions and other receipts and expenditures restricted for specific Legion projects are credited and charged directly to the respective restricted funds as set forth in the statement of changes in fund balances (exhibit C, sheet 3).

The Legion follows the practice of capitalizing significant additions to office furniture and equipment. These assets are being charged to general operations through depreciation charges computed on the straight-line method based on the estimated useful lives of the respective assets.

NOTE 2 — MEMBERSHIP LIFE INSURANCE PROGRAM:

In connection with The American Legion's Life Insurance Plan, the Legion has created a Trust fund to which the First National Bank of Kansas City, Missouri, as Trustee, holds legal title. The accumulated earnings from the Trust fund and the experience rating refunds and dividends from the insurors (which combined to a total of approximately $2,670,000 as of December 31, 1977) may be used, as directed by the Legion, for any one or more of the following purposes:

a— to increase the fund.
b— to reduce or pay in full premiums thereafter due on the group insurance.
c— to provide additional life insurance benefits for the participants.
d— to make refunds to the participants.
e— to make distributions to The American Legion to be used in the support of its activities and programs serving the interest of the Legion and its members, provided that such distributions are not disapproved in writing by a majority of its insured members.

In accordance with the provisions of item (e) above, the Legion's National Executive Committee has approved partial funding of the oratorical contest and baseball programs of The American Legion. Accordingly, as of December 31, 1977 the Trust has appropriated approximately $256,000 of accumulated earnings and experience rating refunds and dividends to be used for these designated programs during 1978.

NOTE 3 — INVESTMENTS:

At December 31, 1977, The American Legion carried the following investments as a part of its current funds:

	BOOK VALUE			
United States Government Obligations:	Restricted Fund	Reserve Fund	Unrestricted	Total
U.S. Treasury bills (A)			$5,228,141	$ 5,228,141
U.S. Treasury notes (B)	$2,286,792	$1,497,570	1,308,207	5,092,569
U.S. Treasury bonds (C)	445,495	231,854		677,349
Uninvested cash	5,767	5,622		11,389
Totals	$2,738,054	$1,735,046	$6,536,348	$11,009,448

(A) Maturity dates range from January 10, 1978 to August 22, 1978.
(B) Maturity dates range from May, 1978 to August, 1986. Coupon rates range from 6 to 8¾%.
(C) Maturity dates range from February, 1980 to May, 1985. Coupon rates range from 3¼ to 6⅜%.

NOTE 4 — ACCUMULATED DEPRECIATION — WASHINGTON, D.C. REAL ESTATE:

Since 1969 annual depreciation of the Washington, D. C. property has been credited to the accumulated depreciation balance with a corresponding amount of investments and cash added to the funded depreciation reserve. Earnings of the funded depreciation reserve are unrestricted and have been reflected as other income in the statement of income.

NOTE 5 — INTERFUND TRANSFERS:

During the year ended December 31, 1977, the National Finance Commission authorized certain allocations from the Legion's unappropriated current funds (surplus) as follows:

(A) $600,000 to the Veterans Affairs and Rehabilitation Fund to provide the capital to continue the prescribed purposes of the Fund.

(B) $604,024 to increase the Reserve Fund, the principal portion of which can be expended only by action of the Legion at its national convention and by action of the National Executive Committee.

(C) $21,400 to the Real Estate Reserve representing the cost of certain major repairs and improvements to be made to the Washington, D. C. real estate.

(D) $38,986 to the Employee Insurance Premium Stabilization Reserve to provide the capital to continue the prescribed purposes of the Reserve.

(E) $10,000 to establish the Joint Chiefs of Staff Reception Reserve.

(F) $5,000 to the Presidential Inauguration Reserve to provide additional capital for the prescribed purpose of the Reserve.

In addition, the National Finance Commission approved the transfer of the remaining balance in the Spirit of '76 Reserve, which purposes had been accomplished, to the Freedom Bell Fund to provide additional capital for the prescribed purpose of that Fund.

NOTE 6 — EMPLOYEES' RETIREMENT PLAN:

Since 1944, The American Legion has maintained a retirement plan for all eligible employees of the national headquarters and the Legion's various affiliated and subordinate groups. Contributions to the plan are made by the national organization and by the other participating groups on the basis of annual actuarial valuations. The annual cost as determined by the actuary is computed using the aggregate cost method. This method includes in normal cost any past service costs. The vested benefits of the participants do not exceed the fund assets.

Effective January 1, 1976, the plan was amended to comply with the requirements of the Employee Retirement Income Security Act of 1974. Pension expense amounted to $601,398 in 1977 and $585,823 in 1976.

NOTE 7 — LEASE CONTRACTS:

During 1977, the Legion entered into a lease for computer equipment through July, 1982. The minimum monthly rental under the agreement, which is modified whenever the components of the equipment are changed, currently amounts to $16,700. Total rental expense for computer facilities, under this lease and a similar agreement which expired in 1977, was $200,003 in 1977 and $182,756 in 1976.

In addition, the Legion has a lease with the State of Indiana for rental of the national headquarters building in Indianapolis. According to the terms of the lease, which expires in November, 1981, in lieu of rental payments the Legion is required to maintain the interior of the building, as well as provide adequate insurance on the building. The cost of maintenance and insurance approximated $233,900 in 1977 and $183,400 in 1976. The Legion has the option of renewing the lease with the same terms through November, 1985.

AMERICAN LEGION ENDOWMENT FUND CORPORATION

Harry W. Colmery (Kansas), President

Foreseeing the necessity for a regular annual income to support its war veterans rehabilitation and child welfare programs, The American Legion, in the year 1925, conducted a national campaign for contributions to support those two programs. The proceeds from the campaign were placed in the custody of the American Legion Endowment Corporation as trustee, a goal of $5 million having been set and generous contributions being received.

The corporation was incorporated in 1925 under the laws of the State of Delaware and a trust agreement was entered into between The American Legion and the corporation under which the funds were administered by the corporation and the annual net income therefrom was paid to The American Legion for the use of the two programs described.

The financial condition of the endowment fund is summarized as shown below for each of the five preceding years. The figures shown were taken from the annual audits of Geo. S. Olive & Co., Indianapolis, Indiana.

	Dec. 31, 1977	Dec. 31, 1976	Dec. 31, 1975	Dec. 31, 1974	Dec. 31, 1973
TOTAL ASSETS	$7,159,699	$7,439,164	$7,456,915	$7,455,736	$7,423,287
Net interest received	370,765	517,708	515,387	516,609	653,993
Expense	11,256	14,192	12,683	15,350	15,619
Excess of income Over expense	359,509	503,516	502,704	501,259	638,374
Earnings transferred or due to The American Legion	650,000	525,000	500,000	500,000	360,000
Yield on average book value of Securities (percent)	5.02	6.77	6.74	6.72	8.60

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Combined Statement of Contition

ASSETS

GENERAL FUND:	**June 30, 1978**
Cash:	$ (94,897)
American Fletcher National Bank	10,930
Indiana National Bank	4,614
Merchants National Bank	45,766
Continental Bank — Chicago	91,615
Petty cash and other checking accounts	58,028
Temporary investments — U.S. Treasury Bills, Certificates of Deposit & Security Agreements	4,362,205
Receivables:	
Emblem Sales accounts	138,188
Unprocessed Emblem cash sales	(9,725)
Magazine Advertising	202,228
Other	42,891
	373,582
Inventories:	
Emblem merchandise	602,723
Paper and magazine items	860,834
	1,463,557
Long term investments — at cost	1,705,167
Land and building — net depreciation	444,735
Furniture and fixtures — net of depreciation	337,650
Deferred charges and prepaid items	288,839
Reserve fund	1,734,845
Restricted fund	2,930,161
Paid-up-for-Life	4,665,006
Total General Fund	13,698,769
Other American Legion Trust Funds	
Paid-Up-For-Life Trust Fund	746,313
Employees Retirement Trust Fund	8,825,078
Overseas Decoration Trust Fund	379,441
TOTAL ASSETS	$23,649,601

THE AMERICAN LEGION NATIONAL HEADQUARTERS

Combined Statement of Condition

GENERAL FUND:	**June 30, 1978**
Current Liabilities:	
Accounts Payable	$ 316,849
Employees Payroll Deductions	7,029
State and Federal Taxes Payable	4,867
Insurance Premiums Payable	45,766
Other	11,116
	385,627
Deferred Income:	
Dues Paid in Advance	794
Magazine Subscriptions Unearned	1,953,500
Emblem Sales Undelivered	—
	1,954,294
Reserve Fund	1,734,845
Restricted Fund	2,930,161
	4,665,006
Appropriated Funds and Reserves:	
Veterans Affairs and Rehabilitation Fund	754,941
Children & Youth Fund	158,940
Oratorical Contest Prizes	85,906
Freedom Bell	163,075
Paid-Up-For-Life	(6,047)
Reserve for Convention	60,000
Reserve for The American Legion Magazine	99,501
Reserve for Real Estate	841,977
Other Appropriated Funds and Reserves	165,339
	2,323,632
General Fund Unappropriated	4,370,210
Total General Fund	13,698,769
Other American Legion Trust Funds	
Paid-Up-For-Life Trust Fund	746,313
Employees Retirement Trust Fund	8,825,078
Overseas Decoration Trust Fund	379,441
TOTAL LIABILITIES AND FUND BALANCES	$23,649,601

THE AMERICAN LEGION 60TH ANNUAL REPORT

FOREWORD

The American Legion's theme during the past year was "Your American Legion—We Dare to Care." Under the leadership of National Commander Robert Charles Smith and with the support of 2.7 million members in 16,000 posts throughout the Nation and overseas, the Legion has completed another year of rich and rewarding service to America and its veterans.

The American Legion national headquarters is located in Indianapolis, Indiana. In addition to the Indianapolis facilities, an office is maintained in Washington, D.C., housing those organizational functions that require a close working relationship with the Congress and the appropriate agencies of the Federal Government. The American Legion Magazine publisher also is located in Indianapolis, and the editor and editorial staff are located in The American Legion's Indianapolis offices. Offices of The American Legion life insurance program are located in Chicago, Illinois.

The National Commander's report is published herein as a part of the Convention proceedings. Reports of the other national officers, the national commissions, financial statements with accompanying data, and a report of the National President of the American Legion Auxiliary are also included. These reports and other material summarize the activities of The American Legion and the American Legion Auxiliary during an action-packed year in which the two organizations, true to their tradition, provided vital leadership to the Nation and contributed significantly to the preservation of its institutions. We are proud of our accomplishments and look forward with confidence to the challenges and opportunities that lie ahead.

FRANK C. MOMSEN,
National Adjutant.

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EXCERPTS FROM CONSTITUTION OF THE AMERICAN LEGION

ARTICLE II

NATURE

Section 1. The American Legion is a civilian organization; membership therein does not affect nor increase liability for military or police service. Rank does not exist in the Legion; no member shall be addressed by his military or naval title in any convention or meeting of the Legion.

Section 2. The American Legion shall be absolutely non-political and shall not be used for the dissemination of partisan principles nor for the promotion of the candidacy of any person seeking public office or preferment.

ARTICLE III

Section 1. The American Legion shall be organized in departments and these in turn in posts. There shall be one department in each state, in the District of Columbia, and there may be one Department in each territory and insular possession of the United States. The National Executive Committee may establish posts in the territorial and insular possessions of the United States and foreign countries, and shall designate the Department under whose jurisdiction they shall function, but this shall in no way affect the status of departments already established.

ARTICLE IV

ELIGIBILITY

Section 1. Any person shall be eligible for membership in The American Legion who was a member of the Army, Navy, Marine Corps, Coast Guard, or Air Force of the United States and assigned to active duty at some time during any of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941, to December 31, 1946; June 25, 1950, to January 31, 1955; August 5, 1964, to May 7, 1975; all dates inclusive, or who, being a citizen of the United States at the time of his entry therein, served on active duty in the armed forces of any of the governments associated with the United States during any of said periods; provided, however, that such service shall have been terminated by honorable discharge or honorable separation, or continued honorably after any of said periods; provided, further, that no person shall be entitled to membership who, being in such service during any of said periods, refused on conscientious, political or other grounds to subject himself to military discipline or unqualified service.

Section 2. There shall be no form or class of membership except an active membership, and dues shall be paid annually or for life.

Section 3. No person may be a member at any one time of more than one post.

Section 4. No person, who has been expelled by a post, shall be admitted to membership in another post, without the consent of the expelling post, except that where such consent has been asked for and denied by such post, he may then appeal to the Executive Committee of the department of the expelling post for permission to be admitted to membership in another post, and shall be ineligible for membership until such permission is granted.

ARTICLE V

Section 1. The legislative body of The American Legion shall be the national Convention, except as otherwise provided in the Constitution and By-Laws . . .

Section 3. In the national convention each department shall be entitled to five delegates and one additional delegate for each one thousand members, or major fraction thereof, whose current dues have been received by the national treasurer 30 days prior to the meeting of said convention, and whose registration fees, as fixed by the National Executive Committee, for its total authorized delegate strength, have been paid; and to one alternate for each delegate. The delegates shall be chosen not less than two weeks before the national convention at department conventions or in any other manner specified by any department constitution.

Section 4. Each duly registered delegate shall be entitled to one vote. The vote of any registered delegate absent and not represented by an alternate shall be cast by the majority of the registered delegates present from his department. Alternates for registered delegates shall have all the privileges of registered delegates except that of voting. A registered delegate is one who has received his credentials after his registration fee has been paid.

Section 5. A quorum shall exist at a national convention when sixty per cent of the departments are represented as provided above . . .

ARTICLE VI

NATIONAL OFFICERS

Section 1. The national convention shall elect a national commander, and five national vice-commanders, who shall serve without seniority. No two vice-commanders shall be chosen from the same department. No person shall be eligible for re-election to the office of national commander or national vice-commander.

Section 2. Such officers shall serve until the adjournment of the succeeding national convention following their election and thereafter until their successors are chosen. Vacancies in these offices occurring between national conventions shall be filled by election by the National Executive Committee, and any member of THE AMERICAN LEGION, in good standing, shall be eligible for election to such vacancy. Provided, however, that no Past National Commander or Past National Vice-Commander shall be elected to fill any vacancy in these respective offices.

Section 3. The National Executive Committee at its first meeting following the national convention shall appoint the national adjutant, national treasurer, national judge advocate, national chaplain, and national historian, such officers to hold office at the pleasure of the appointing power. All persons having the custody of fund shall give adequate bonds which shall be approved by the National Executive Committee.

Section 4. All past national commanders, while in good standing in their respective posts, shall be members for life of the National Executive Committee, without vote, and shall also be life delegates to all national conventions of THE AMERICAN LEGION, with vote, to be exercised by them with their respective departments.

ARTICLE VII

NATIONAL EXECUTIVE COMMITTEE

Section 1. Between national conventions, the administrative power shall be vested in the National Executive Committee, which shall be composed of the national commander, the national vice-commanders, and one National Executive Committeeman and one alternate from each department to be elected as such department shall determine, the alternative to get only in the absence of the committeeman.

THE NATIONAL EXECUTIVE COMMITTEE

PAST NATIONAL COMMANDERS

Hanford MacNider, Iowa
John R. Quinn, California
Henry L. Stevens, Jr., North Carolina
Ray Murphy, Iowa
Harry W. Colmery, Kansas
Daniel J. Doherty, Massachusetts
Stephen F. Chadwick, Washington
Raymond J. Kelly, Michigan
Milo J. Warner, Ohio
Lynn U. Stambaugh, North Dakota
Warren H. Atherton, California
Edward N. Scheiberling, New York
Paul H. Griffith, Pennsylvania
James F. O'Neil, New Hampshire
S. Perry Brown, Texas
George N. Craig, Indiana
Erle Cocke, Jr., Georgia
Donald R. Wilson, West Virginia
Lewis K. Gough, California
Seaborn P. Collins, New Mexico
J. Addington Wagner, Michigan
W. C. Daniel, Virginia
John S. Gleason, Jr., Illinois
Preston J. Moore, Oklahoma
Martin B. McNeally, New York
William R. Burke, California
Charles L. Bacon, Missouri
James E. Powers, Georgia
Daniel F. Foley, Minnesota
Donald E. Johnson, Iowa
L. Eldon James, Virginia
John E. Davis, North Dakota
William E. Gailbraith, Nebraska
William C. Doyle, New Jersey
J. Milton Patrick, Oklahoma
Alfred P. Chamie, California
John H. Geiger, Illinois
Joe L. Matthews, Texas
Robert E. L. Eaton, Maryland
James M. Waggonseller, Ohio
Harry G. Wiles, Kansas
William J. Rogers, Maine
Robert Charles Smith, Louisiana

NATIONAL EXECUTIVE COMMITTEEMEN

Joe S. Foster, Alabama
Robert G. Blair, Alaska
Ronald C. Murphy, Jr., Arizona
Bob Legan, Arkansas
Bernard L. Weddel, California
Dr. Robert J. Hitesman, Canada
Paul B. Rodden, Colorado
Joseph G. Leonard, Connecticut
Donald E. Neil, Delaware
James K. Scarborough, D.C.
Johnson E. Davis, Florida
Helmut Spangenthal, France
W. D. Harrell, Georgia
Libert J. Pakele, Jr., Hawaii
Elton Ashton Idaho
Russell P. Bieritz, Illinois
Gilbert E. Sheeks, Indiana
Donald H. Harmeyer, Iowa
Frank C. Bottigliero, Italy
U. S. Grant, Kansas
J. Leslie Brown, Jr., Kentucky
J. B. Broussard, Louisiana
Clifford L. Quinney, Maine
David A. Wade, Maryland
Robert W. Groccia, Massachusetts
Gordon A. Ballantyne, Mexico
George D. Johnson, Michigan
Donald R. Schroedl, Minnesota
Ralph M. Godwin, Mississippi
Cleo T. Martin, Missouri
Theodore P. Crawford, Montana
Robert W. Lowry, Nebraska
Charles F. Lang, Nevada
Laurence R. Spaulding, New Hampshire
Franklin R. Sickle, New Jersey
Robert W. Durand, New Mexico
Richard M. Pedro, New York
Robert A. Tart, North Carolina
Earnest N. Schmit, North Dakota
Arthur H. Euler, Ohio
Tom C. Smith, Oklahoma.
T. Les Galloway, Oregon
James T. Wiggins, Panama, C.Z.
Dr. Almo J. Sebastianelli, Pennsylvania
Carlos D. Arguelles, Philippines
Roberto Gonzales Vazquez, Puerto Rico
Kenneth O. Todd, Rhode Island
E. Roy Stone, Jr., South Carolina
Wayne Slade, South Dakota
Joe F. Hudgens, Tennessee
Robert P. Walsh, Texas
William E. Christoffersen, Utah
Melvin Simon, Vermont
Thomas J. Gear, Virginia
Donald E. Snow, Washington
J. H. Ashcraft, West Virginia
Bud A. Mautz, Wisconsin
John A. Mokler, Wyoming

ALTERNATE NATIONAL EXECUTIVE COMMITTEEMEN

James M. Harbuck, Jr., Alabama
George H. Inman, Jr., Alaska
Irving M. Halpern, Arizona
Lawrence E. Fisher, Arkansas
Lloyd Higginson, California
J. Archie Corriveau, Canada
Harold M. Burdick, Colorado
Henry S. Bialoglowy, Connecticut
Carlton L. Smith, Delaware
Thomas C. Kouyeas, D.C.
E. J. Cooper, Florida
John D. Holmes, France
Richard B. Echols, Georgia
Mordecai Williams, Hawaii
Cope R. Gale, Idaho
Edward F. Brennan, Illinois
Keith Brown, Indiana
Dale L. Renaud, Iowa
John J. Fornacca, Italy
Albert Burrell, Kansas
Norbert H. Gadlage, Kentucky
Carroll B. Fields, Louisiana
Vito M. DeFilipp, Maine
Clarence M. Bacon, Maryland
Ernest B. Montroud, Massachusetts
Charles E. Hoskin, Mexico
Eugene W. Heugel, Michigan
Norman J. Arveson, Minnesota*
Fred M. Ingellis, Mississippi
Erman W. Taylor, Missouri
Robert R. Williams, Montana
Lewis L. Adams, Nebraska
L. A. Robertson, Nevada
M. Ray Olmstead, New Hampshire
Warren R. Davies, New Jersey
Dan B. Craig, New Mexico
Casimir F. Sojka, New York
Reid W. Crawford, North Carolina
Q. R. Schulte, North Dakota
Charles R. Green, Ohio
Paul Barone, Oklahoma
Jack C. Plato, Oregon
Nicholas Olson, Panama, C.Z.
Stephen Mikosky, Pennsylvania
Francisco Quesada, Philippines
Dr. Raul B. Barreras, Puerto Rico
Matthew B. Ryan, Rhode Island
John L. Ferguson, South Carolina
Donald Clarke, South Dakota
Percy C. Miller, Tennessee
C. Lynn Steward, Texas
Clarence W. Jones, Utah
Donald A. Sisco, Vermont
Walter L. Mays, Virginia
Arthur E. Rupert, Washington
Chester M. Matney, West Virginia
Henry F. Renard, Wisconsin
Charles McBride, Wyoming

Commissions, Committees, and Employees

The national executive committee, upon nomination by the national commander, appoints the following standing commissions: National Americanism Commission, National Commission on Children and Youth, National Convention Commission, National Economic Commission, National Finance Commission, National Foreign Relations Commission, National Internal Affairs Commission, National Legislative Commission, The American Legion Magazine Commission, National Public Relations Commission, National Veterans Affairs and Rehabilitation Commission and National Security Commission.

The national executive committee provides for the appointment and employment of such subordinate officers and employees as may be needed for the administration of the affairs of The American Legion, and prescribe their duties and emoluments.

REPORT OF NATIONAL VICE COMMANDER

EUGENE V. LINDQUIST, Clarissa, Minn.

The National Convention in Denver, Colorado was the place of my election to the office of National Vice Commander in August 1978. I was honored to be asked to be a candidate to serve with Robert Charles Smith, who was elected National Commander. The ten Departments assigned to me were: North Dakota, South Dakota, Nebraska, Iowa, Texas, Kansas, Wisconsin, Oklahoma and Canada. With a membership goal of 583,037 for 1978, we have at this time reached 102.34 percent.

I returned from the National Convention on Thursday, August 24th. The following day I was on my way to Sioux Falls, South Dakota to attend the homecoming of Commander Earl C. Van Ningen.

My next trip then was to attend National Commander Robert Charles Smith's homecoming in Louisiana. This was followed by the Commanders' and Adjutants' meeting in Indianapolis, October 2–6.

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*Deceased prior to Convention

On November 3-5, I attended Minnesota's Fall Conference in Rochester, Minnesota. On Thursday, November 10th, a group from Minnesota had dinner with Robert Charles Smith and his wife at the L'Sofitel Hotel in Bloomington, Minnesota, while the Commander was in Minnesota to speak at the Veterans' Home in Minneapolis.

On Veterans Day, I was speaker at Monticello, Minnesota at the High School Veterans Day program.

On November 19th, I attended North Dakota's Fall Meetings at Bismarck, where a blizzard had us snowbound for three days.

In January, I attended meetings in Norfolk, Nebraska and Des Moines, Iowa, and January 27th and 28th brought me to Marshfield, Wisconsin for the Mid-Winter meeting.

February 3-4, I spent in Olathe, Kansas at their Mid-Winter Conference. February 10, 11 and 12, I attended the Texas Legion College at Fort Worth, Texas.

From February 19-23, I attended the Washington Conference. From there I went to Kansas to represent National Commander Smith from February 24-26. In Kansas I visited six of their districts and twelve Kansas Legion posts.

On April 2nd I attended the Minnesota Aerial Roundup at Robbinsdale, Minnesota. From there I went to Ponca City, Oklahoma for a Children and Youth Meeting on April 29-30. My next trip was to the Department of Canada on May 12th and 13th.

My last official act was to make a presentation of an award at West Point Military Academy to a graduating cadet. I enjoyed this experience very much.

As I finish my year as National Vice Commander, I wish to express my gratitude for a wonderful opportunity to meet the many dedicated Legionnaires who are carrying out the Legion programs for veterans and for the welfare of our country. I appreciated serving with four other fine National Vice Commanders and a very dedicated National Commander, Robert Charles Smith.

REPORT OF NATIONAL VICE COMMANDER

ROGER A. MUNSON, Ohio

At the 1977-78 National American Legion Convention held in Denver, Colorado, in August, 1977, it was my privilege and honor to be elected as one of the five National Vice Commanders to serve with National Commander, Robert Charles Smith, for the ensuing year.

The eleven Departments assigned to my area included: Pennsylvania, Maryland, Ohio, Indiana, Illinois, Michigan, Missouri, Arkansas, Tennessee, Kentucky, and Mexico. Subsequently, visits were made by me to all of these with the exception of Mexico which was visited by the National Commander. This "area" had the largest assigned membership goal, amounting to 984,346 members, of all of the areas. At this time, we have reached 966,982 members, or 98.42 per cent of our goal.

I was privileged to visit one Department outside of my area by attending and speaking at the Mid-Winter Conference of the Department of North Dakota in Mandan, North Dakota, during the month of February.

Within my own area, I began my duties by attending and speaking at the Homecoming of Department Commander, John Krupa, in East Chicago, Indiana, and doing the same at the Homecoming of National Executive Committeeman Les Brown, in Louisville, Kentucky, rounding out my Homecoming attendances at National Commander Robert Charles Smith's, in Shreveport, Louisiana, Department Commander Melvin Chapman's in Beverly, Ohio, and one held in my honor at the Brown Derby Inn in Boston Hills, Ohio. These were followed by the Department Commander's and Adjutant's Conference and National Executive Committee meetings in Indianapolis, Indiana.

The official visit to Illinois came as I spoke to their Fall "Pilgrimage" to the Haven, an excellent rehabilitation project in Marion, Illinois. This was followed by speaking to the Mid-Winter Conference in Midland, Michigan, and then attending the National Mid-Winter Conference in Washington, D.C.

The Department of Missouri was visited by being the main speaker at their Spring Conference in Jefferson City, Missouri, and I then attended the Department Executive Committee Meeting of Pennsylvania in Pittsburgh. I again visited the Department of Indiana by speaking at their Spring Conference in Indianapolis which was followed by the National Spring Meetings in that same

City. In between, Kentucky was again visited by being their speaker at their Spring Conference at Barkley Lake, Kentucky.

One of the greatest privileges which I enjoyed was the opportunity to present the American Legion Prize at the United States Naval Academy in Annapolis, Maryland, at their Awards Ceremony to the Cadet of the graduating class, Midshipman First Class, Kevin Peter O'Keefe, who stood highest in the field of International Security Affairs. At the same time, I was able to view the "Presentation of Colors Ceremony" during the Academy's Brigade of Midshipmen Color Parade.

Speeches representing the National Commander were also made at the Department Conventions in Little Rock, Arkansas; Nashville, Tennessee; Ocean City, Maryland; and Cleveland, Ohio, to these respective Departments, along with numerous speaking assignments in my own Department during the entire course of the year.

In summation, I would like to express my gratitude to all of the fine Legionnaires throughout our organization who made this year such a tremendous experience. I am especially indebted for all of the courtesies and kindnesses shown everywhere that I travelled by everyone I contacted, as well as, to the National Staff in both the Indianapolis and Washington, D.C. Offices for all of their encouragement and assistance. Finally, it has been a real privilege to serve under a great National Commander, Robert Charles Smith, a tireless and dedicated true leader for God and Country.

JOHN J. O'CONNELL, Rhode Island

Denver, Colorado was the site of the Fifty-ninth National American Legion Convention, August 19–25, 1977. I was honored to be elected one of the five National Vice Commanders, to serve with the National Commander Robert Charles Smith of Louisiana for the year 1977–1978.

The following ten Departments were assigned to me: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, also France and Italy. The total Membership was 466,625; this was the third largest goal assigned to a Vice Commander. As of June 29, the membership standing was 434,040, or 92.55% of the goal.

My first assignment was to participate at the District Commanders Training Seminar at The Treadway Inn, Chicopee, Massachusetts, September 10–11, 1977. National Commander Robert Charles Smith was principal speaker, his subject: "We Dare to Care." I made a presentation of one of the subjects on the agenda.

I attended the homecoming of National Commander Robert Charles Smith at Shreveport, Louisiana, then on to Indianapolis for the Department Commanders and Adjutants Conference, also the National Executive Committee meetings October 3–6, 1977.

It was a pleasure and an education to attend the Washington Conference February 19–23, 1978. Time to make official visitation in my area, my first visit was to the Department of Vermont during their Mid-winter Conference at Brandon. The Conference Dinner was held at Otter Valley Regional High School, Friday, January 6, 1978, at which I was the principal speaker.

My next scheduled visitation was to the Mid-winter Conference of Maine. A severe ice and snow storm blanketed Rhode Island, which made travel almost impossible. It was necessary to cancel this visit. The Department of Massachusetts invited me to attend the Testimonial honoring Department Commander Joseph P. Genduso at the Chateau de Ville in Framingham, Massachusetts on January 28, 1978. This was my official visitation to Massachusetts. I was principal speaker at the dinner.

The Department of New Hampshire Mid-winter Conference was held at Concord, February 25, 1978. I participated in their program, also had the privilege of presenting Department Commander Joseph Schanda a watch on behalf of National Commander Robert Charles Smith. The award was for Commander Schanda in piloting the New Hampshire to another win in The National "NO GOOSE EGG" Contest, the second win in a row for this Department. A dinner and dance was held in the evening.

National Commander Robert Charles Smith made his Official Visitation to the Department of Rhode Island on April 2, 1978. Mrs. Smith accompanied the National Commander on this occasion. Mrs. Alvin Moltzen, National President, American Legion Auxiliary, was also in Rhode Island for her Official Visitation to the American Legion Auxiliary, Department of Rhode Island. Both of our

National Leaders were honored at a reception at noon, followed by a dinner in the evening. It was my good fortune to be a guest at both affairs.

Rhode Island Department Commander William J. Viherek, Sr., and his daughter, Mrs. Martha V. Gainey, President, American Legion Auxiliary, Department of Rhode Island, were honored at a joint testimonial at the Hotel de Ville in Warwick, Sunday, April 9, 1978. I was invited to be in attendance at this unique affair.

Little Rhody Boys State was held at the Naval Educational and Training Center, Newport, Rhode Island, April 17–21, 1978. It is necessary to hold our program early in the spring so as not to interfere with the NROTC. Graduation exercises were held Friday, April 21. As President of the Boys State Corp., I was privileged to participate in the exercises.

On Saturday, May 20, 1978, I was invited to make my official visitation to the Department of New Jersey. This was the occasion of a Testimonial Dinner in honor of Department Commander Eugene Howell, at which I was the principal speaker.

The National Organization assigned me to the U.S. Coast Guard Academy, New London, Connecticut on Tuesday, May 23, 1978. Awards Day was held on this day, at which time, on behalf of the American Legion, a presentation was made to the cadet considered to have excelled personally in athletics. A watch was presented by me to Cadet (1st Cl) Michael P. Butler, of Wilmington, Delaware.

The American Legion, Department of Rhode Island held their Annual Convention at Providence at the Marriott Inn, June 23–25, 1978. One of the highlights of the Convention was the presentation of two scholarships to the Rhode Island School of Electronics in Providence. The scholarships are a memorial to Mr. J. Frank Sullivan, founder of the school. These awards were presented to a girl and a boy, members of the June, 1978 high school graduating class. The scholarship program is co-sponsored by the American Legion, Department of Rhode Island and the Rhode Island School of Electronics.

Two more visitations are on my schedule. Both the Department of Connecticut and New York are to hold their Convention on July 12, 13, and 14. I will attend the Convention Dinner of the Department of Connecticut on Wednesday, July 12, 1978. On July 13 I will depart from Connecticut and go to Syracuse, New York, the site of the New York Convention. I will take part in their activities before leaving on Friday, July 14.

I have visited all but three Departments in my assigned area. However, the National Commander made an Official Visitation to Maine, which due to weather, it was not possible to travel to their Mid-winter Conference. The Vice Commanders do not visit the Foreign Departments.

As my year as a National Vice Commander draws to a close, I wish to express my gratitude for the privilege of serving the American Legion in such a high office. My sincere thanks to all Legionnaires who made it possible to serve as a National Vice Commander. It has been a privilege to have served with National Commander Robert Charles Smith, a great Commander and a fine gentleman. I now look forward to the National Convention in New Orleans, August 19 to 24, 1978. As this Convention comes to a close, I will return to the ranks of a Blue Cap Legionnaire for continued service "For God and Country."

REPORT OF NATIONAL VICE COMMANDER

CHESTER PHILLIPS, West Virginia

In Denver, Colorado, August 21–25, 1978, it was my honor and privilege to be elected one of the five National Vice Commanders to serve with National Commander, Robert Charles Smith, for the 1977–78 year.

I was assigned thirteen departments which included Alabama, Delaware, District of Columbia, Florida, Georgia, Louisiana, Mississippi, North Carolina, Panama Canal Zone, Puerto Rico, South Carolina, Virginia, and West Virginia, with a 1978 target goal of 353,510. The target goal has been exceeded.

My first appearance as National Vice Commander was September 10, 1977, at Jackson Mills, West Virginia, at my own Department Leadership School. I was one of the guest speakers.

I attended the Homecoming for our National Commander, Robert Charles Smith, at Shreveport, Louisiana, on September 30—October 1, 1977.

On October 3, 5, and 6, 1977, I attended the Fall Meeting of the National Executive Committee Meeting in Indianapolis, Indiana.

On returning from Indianapolis, I represented the American Legion in the annual Forest Festival Parade in Elkins, West Virginia, on Saturday, October 8, 1977.

On October 14 and 15, I attended the Department of South Carolina Fall Conference at Bacon Hill. On returning from South Carolina, I attended the Department of West Virginia Executive Meeting in Fairmont, West Virginia, and the Homecoming of the West Virginia Department Commander, Roderick Devision.

One of the greatest privileges which I enjoyed was the opportunity to attend and participate in the annual Veteran's Day Ceremony at Arlington Cemetery at Arlington Cemetery, Arlington, Virginia. President Carter was the speaker.

On October 29, 1977, my home post—H. W. Daniels Post No. 29 held a Testimonial Dinner for me with friends attending from all sections of West Virginia. United States Senator Jennings Randolph was the guest speaker.

My official visit to the Department of Florida was to attend their Fall Conference at Daytona Beach on November 4 and 5, 1977. I visited several posts in the Orlando area during this trip.

I had to cancel my visit to the Departments of Louisiana and Mississippi during January due to a snow storm.

I attended the 55th National Veterans Affairs and Rehabilitation Conference in Washington, D.C.

I participated in a Membership Round-up in the Department of North Carolina on March 10–12, 1978. I was guest speaker at the Legion Birthday Dinner at Hickory, North Carolina, on March 14, 1978, and my home post on March 17, 1978.

My next official visit was to attend the Spring Conference of Georgia at Albany, Georgia.

I attended the National Executive Committee Meeting in Indianapolis on May 3–4, 1978.

It was my pleasure to represent The American Legion at the Cathedral of the Pines Memorial Observance in Rindge, New Hampshire, on May 30, 1978.

I was guest speaker at the Department of Mississippi, Departments of Virginia and West Virginia at their annual convention.

I wash to express my gratitude for the tremendous experience—meeting so many fine, dedicated Legionnaires who are carrying on sixty years of Legion progress for veterans and for the good of the community, state and Nation. It has been a pleasure to serve under the great leadership of National Commander, Robert Charles Smith.

REPORT OF NATIONAL VICE COMMANDER

IRVING B. SELMER, Wyoming

[Deceased July 1, 1978; Report Submitted by Mrs. Irving B. Selmer]

At the National Convention in Denver, Colorado, August 19–25, 1977, it was an honor and privilege to be installed as one of five National Vice Commanders to serve for the 1977–78 year with National Commander Robert Charles Smith, who chose as his theme "We Dare To Care".

I was assigned fourteen departments in the Western Region, consisting of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Philippines, Utah, Washington and Wyoming. In several instances I visited several of the departments within my area more than once. Visits to the Departments of Philippines and Hawaii were made by our National Commander.

My year began with the Membership Conference in Salt Lake City and the Homecoming of our National Commander in Springmill and Shreveport, Louisiana in October, after which I was on my way to Indianapolis for the Commanders and Adjutants Conference and National Executive Committee Meeting. In November I attended the Area E Conference in Albuquerque and had an opportunity to visit several posts in that vicinity. Thanksgiving Day was spent at Post 51, Las Vegas, Nevada, where I was special guest at their Thanksgiving Dinner.

The early part of December found me in Helena for the Department of Montana's Midwinter Conference. My official visit to the Department of Idaho was at Boise for their Midwinter Conference, leaving shortly thereafter for the Midwinter Executive Meeting of the Department of Washington at Yakima. I made my official visit to the Department of New Mexico at Albuquerque for their Midwinter Conference following which I headed for Sierra Vista for the Spring Conference of the Department of Arizona. In February I was in Washington, D.C. at the American Legion's Washington Conference. The National Commander's Reception and Banquet honoring the Congress of the United States was truly outstanding.

My official visit to the Department of Alaska was made the early part of March at Anchorage, and during the middle of the month at the Executive Meeting of the Department of California at Merced. In April I traveled to Wendover, Utah for the Department of Utah's Spring Executive Meeting. I attended the Four Corners Miss American Legion Pageant held in Phoenix April 22nd.

In May I participated in the Department of Colorado's Leadership College held at the United States Air Force Academy.

It was my pleasure to represent the National Organization at the United States Air Force Academy graduation ceremony on Memorial Day and present the top academic award to Cadet 1st Class (Sr) Richard A. Searfoss.

My year as National Vice Commander was one of the highlights of my life and thruout all my visits I have encountered Legionnaires who were dedicated and "Dared To Care" as evidenced by the outstanding membership and the many new American Legion posts organized in my area.

It was a pleasure to serve under the leadership of one of the finest men I know—Our National Commander Robert Charles Smith.

[NOTE.—Due to illness and untimely death July 1, 1978, Vice Commander Selmer was unable to make his scheduled official visit to the Department Convention of Oregon at Astoria, June 22–24 and Nevada at Winnemuca, July 14–16.]

REPORT OF NATIONAL CHAPLAIN

FATHER WALTER D. POWERS

Just prior to the closing of the 59th National Convention the National Commander-Elect asked Father Walter D. Powers, Past Department Chaplain of Maryland, to offer a prayer for his coming year of administration. Due to Father Tuxbury's early departure Father Power also closed the National Convention with the Benediction.

When the National Executive Committee convened for the first meeting of the 60th year, National Commander Robert Charles Smith of Louisiana appointed Father Walter D. Power as National Chaplain. After a brief meeting, Father Power gave the Benediction.

In late September, I was privileged to attend the National Commanders Homecoming in Spring Hill, Louisiana. It was a most enjoyable three days. Back home in Cambridge, Maryland, I was given a Homecoming party of my own sponsored by my Post Dorchester #91 in conjunction with the Department of Maryland.

The first meeting in Indianapolis took place in early October. And during this time I was a judge in the National Historical Contest.

In December, I had the pleasure of joining the National Commander and Mr. Michael Schlee of the Washington office in the annual trip to the Far East. It was a never to be forgotten twenty two days—the second high spot of my life next to Ordination.

In February I represented the National Commander at Maguire Air Base, New Jersey for Four Chaplains Sunday. It was a tremendous affair and a mighty turnout. I was the guest of the Department of New Jersey.

Another National Executive meeting in Indianapolis in May and another most interesting session and visitation with old friends.

During much of the year I traveled around the Department of Maryland visiting the different District functions honoring the Department Commander and Auxiliary Officers. On Memorial Day I attended the dedication ceremonies at the Veterans cemetery at Cheltenham where the National Commander was a welcome visitor. Later that day the Department Banquet for the National Commander was held in the Parkville Post. Needless to say, both Commander and Mrs. Smith were warmly received.

An unusual feature of the year was my attendance at a special Youth Seminar sponsored by the Children and Youth Commission for two days in a hidden retreat where distinguished experts spoke on the problems of youth today.

The annual Chaplains Conference was held in November in Indianapolis and was very well attended. Major Pat Hinges of the Baltimore County Police

Department was the chief speaker. The panel discussions were well received. At the 60th National Convention in New Orleans, Father Power conducted the Patriotic Memorial Service on Sunday August 20th.

The help that I have received this past year from our Department Adjutant Dan Burkhardt and Commander Cal Patton and on the National scene from a distinguished National Commander Robert Charles Smith will never be forgotten. This past years experience cannot be bought.

REPORT OF NATIONAL HISTORIAN

ARNOLD J. STOCKSTAD, North Dakota

On August 25, 1977, I received my ultimate accolade in the American Legion, when National Commander Robert Charles Smith appointed me to the position of National Historian. This was later sanctioned by the National Executive Committee meeting in Denver, Colorado.

My first official duty as your Historian was to make arrangements for the judging of the 1977 One Year Post Histories and the 1977 One Year Post Scrapbooks. Apparently these contests were well received as 31 entries from 22 Departments were made. These were the most entries ever made as recalled by veteran observers.

A very capable panel of judges spent many dedicated hours pouring over the eventual decisions. National Adjutant William Hauck suggested and contacted these Legionnaires for their services: Francis Polen, National Treasurer, as chairman; National Chaplain Walter D. Power and National Sergeant-at-Arms Norman Conn as members.

They convened in the National Library during the October meeting of the National Executive Committee. On Thursday morning, October 6, it was my privilege to announce the winners to the NEC assembled, as follows:

NATIONAL ONE YEAR POST HISTORY CONTEST

1st award:

Minneapolis-Richfield Post No. 435, Minneapolis, Minnesota. Prize: $200.00 and a citation.

2d award:

Harvey W. Seeds Post No. 29, Miami, Florida. Prize: $150.00 and a citation.

3d award:

Kern-Robinson Post No. 905, Springwater, New York. Prize: $75.00 and a citation.

4th award:

Jacob Coppus Post No. 258, Little Chute, Wisconsin. Prize: $50.00 and a citation.

5th award:

Leyden-Chiles-Wickersham Post No. 1, Denver, Colorado. Prize: $50.00 and a citation.

HONORABLE MENTION—PRIZE: CERTIFICATE

William M. Batjer Post No. 100, Rogers, Arkansas.
Leslie Kreps Post No. 62, Salina, Kansas.
Iroquois Post No. 229, Louisville, Kentucky.
Dewey Lowman Post No. 109, Baltimore, Maryland.
Purcell-Labrecque Post No. 241, Monson, Massachusetts.
Hudson Post No. 48, Nashua, New Hampshire.
Carlisle Bennett Post No. 13, Albuquerque, New Mexico.
Young-Budd Post No. 171, Waterville, Ohio.
Carson-Wilson Post No. 1, Tulsa, Oklahoma.
Hickman-Patterson Post No. 34, Waverly, Tennessee.
Frank Freese Post No. 66, Edmonds, Washington.

NATIONAL ONE YEAR POST SCRAPBOOK CONTEST

1st award:

Luke-Greenway Post No. 1, Phoenix, Arizona. Prize: $200.00 and a citation.

2d award:

Leo Carey Post No. 56, Albert Lea, Minnesota. Prize: $150.00 and a citation.

3d award:

Dubuque Post No. 6, Dubuque, Iowa. Prize: $75.00 and a citation.

4th award:

Jenkins-Vaughn Post No. 97, Cardington, Ohio, Prize: $50.00 and a citation.

5th award:

Tom Schwinn Post No. 90, Wellington, Kansas. Prize: $25.00 and a citation.

HONORABLE MENTION—PRIZE: CERTIFICATE

La Mesa Post No. 282, La Mesa, California.
Frierson-Nichols Post No. 8, Winter Haven, Florida.
Kaiserslautern Post No. 1, Kaiserslautern, West Germany.
Dixie Post No. 220, Louisville, Kentucky.
Itawamba County Post No. 51, Fulton, Mississippi.
Stanley-Pack Post No. 499, Blue Springs, Missouri.
Las Vegas Post No. 8, Las Vegas, Nevada.
Rio Rancho Post No. 118, Rio Rancho, New Mexico.
Williston Post No. 144, Williston, Park, L.I., New York.
Jacob Coppus Post No. 258, Little Chute, Wisconsin.

After completion of the very successful 1977 contests, it was time to prepare for the 1978 contests. Due to the apparent successful acceptance of the previous year's contest, it was decided to repeat the One Year Post History and the One Year Scrapbook contests. This also speeded up the process of getting the new contest material out to Departments and then to the respective Posts. The draw back of waiting until after the fall meeting for the decision on the new contests, does not permit one year tenured Historians to properly function as any form of history presentation is a constant researching and time consuming task. Last year, 47 percent of our Department Historians were new to their respective positions. We shall know the fruits of our labor with the entries this fall.

An innovation is being initiated this year. At my visit at the spring meeting with the National Association of Department Historians (NADHAL), much discussion was had on ways of encouraging and improving our methods of recording and preserving our valuable history of the American Legion at its several levels. Realizing that most of us are not professional historians and that time is very short, not permitting us to go into time consuming detail, and that we have very limited funds for a project that does not have much commercial value for a sale return, NADHAL suggested that each contest be announced two or three years in advance to give our short tenured historians a choice of contests and more time to develop it. This has been officially accepted.

The future contests selected are as follows:

1979: One Year Department History, or One Year Department Scrapbook.
1980: One Year County/District History, or One Year County/District Scrapbook.
1981: One Year Post History, or One Year Post Scrapbook.

It is felt that this action does not assume any prerogative of future Historians. In fact, it should permit them to formulate their programs in a more leisurely manner and permit more constructive planning. It behooves a National Historian to be counseled by the members of NADHAL.

Serving as your Historian, I have had many official invitations and engagements to serve the interests of the American Legion. At the expense of brevity, I shall list only the highlights.

1. National Commander Smith's Shreveport Homecoming, where "southern hospitality" was at it's best.
2. National President Moltzen's Homecoming, where western hospitality was the theme.

3. North Dakota Department Commander and Department President's Homecoming.

4. The fall and spring meetings of the National Executive Committee.

5. The Washington, D.C., Mid-Winter Legion Conference.

6. A 3 day spring meeting with the National Association of Department Historians in Indianapolis.

7. Nebraska's outstanding 3 day Mid-Year Conference, where Legionnaires have a dedicated purpose.

8. North Dakota's Mid-Winter Conference and Department Convention.

9. Former Nicaraguan Ambassador Thomas Whelan's funeral. A Chairman Emeritus of the Foreign Relations Commission.

10. 8 District Meetings in North Dakota.

11. Guest speaker at two Memorial Day Services.

12. Hosting the National Historian's Luncheon at the National Convention in New Orleans.—*Plus*, three Fourth of July Post functions, Legion Birthday Parties, new Post home Open Houses, Post dinner functions and Legion sponsored community festivities.

I would be sorely remiss to not recognize the professional and capable guidance of our National Librarian and Curator, Tom Hull and his efficient staff. He has constantly offered his constructive suggestions for a better history program, both to me and NADHAL and he has willingly taken of his valuable time to assist. His staff handles all routine correspondence and requests directed to the National Historian. It has been an ideal working relationship.

Now, if I may be so bold as to second the recommendaiton of my immediate predecessor, now Department Historian of New York, Alton H. Carpenter, that the incoming National Commander and the National Executive Committee select the future National Historian with the thought in mind that he should serve in that capacity for more than one term. The Historian at any level of capacity is an administrative officer, not necessarily one of leadership, such as a commander. The change should be no more warranted than replacing an efficiently functioning adjutant or finance officer. Of such is a good organization made better.

In all humility and sincerity, I want to express my thank you for permitting me to serve you as your National Historian. "It is Great to Know that You Belong".

Memorial Roll Call

Each year we lose many of our outstanding Legionnaires, men who have contributed much to the success of the organization.

The official roll call of these leaders who answered the call of Taps since 1977 National Convention is as follows:

A

Carl B. Aamodt, South Dakota
Wesley H. Abrams, Maryland
Dr. Frank M. Acree, Mississippi
A. B. Alcott, Oklahoma
Tom Alego, Oklahoma
Clyde V. Allen, Wisconsin
James B. Allen, Alabama
James F. Almoney, Maryland
Glen Lee Anderson, Kansas
Carlton Arthur Appelo, Washington
J. Hugo Aronson, Montana
Norman Aryeson, Minnesota
J. Leo Ash, Massachusetts
William E. Ashton, Montana
Eugene Attaway, Georgia

B

Glover R. Bailie, Georgia
George S. Ballif, Utah
John B. Barnard, Jr., Colorado
Thomas Barnett, France
Alvin Barnhardt, Jr., Kansas
Isaac Bean, Oklahoma
Robert A. Beard, Mexico
Sherman Bennett, West Virginia
James Berry, Maryland
Barney Best, Kansas
Donald P. Birkett, Iowa
Harry H. Blackstone, Maryland
Dillard Blanton, Georgia
William J. Boland, New York
Kenneth F. Boughton, Iowa
Arthur Owen Boyd, California
Clarence W. Boyd, Illinois
James P. Bradley, California
Clarke Brathovd, Oregon
Charles K. Braun, Maryland
William M. Brock, Oklahoma
Thomas E. Brockert, Missouri
Byron A. Brooks, Arkansas
George W. Burleson, California
Claude Buzick, Minnesota

C

Charles Caldwell, Colorado
Carl Calhoun, Mississippi
Glenn A. Campbell, Colorado
Kenneth C. Carlson, Minnesota
Donald Kingery Carroll, Florida
Herbert Louis Cave, Minnesota
Robert Elmer Chandler, Oklahoma
Godfrey Child, Maryland
Herschel R. Chism, Oklahoma
John Christy, Missouri
Dr. Tom B. Clark, Oklahoma
Claude Clifford, Ohio
Harold Cline, Kansas
Everett L. Cloer, Texas
E. Erle Cocke, Sr., Georgia
Walter A. Colborn, Alaska
Meredith M. Coldren, Pennsylvania
J. Perry Cole, Louisiana
Cecil C. Connell, Virginia
Arthur P. Connelly, Virginia
Bernard H. Conner, Minnesota
Karl Page Conradi, Georgia
James I. Considine, Maryland
Roy L. Cook, New Mexico
Hilary H. Crawford, California
Rickie Criss, Kansas
Jeremiah F. Cross, New York
John A. Cross, Colorado
W. H. Crowell, Florida
Richard F. Culver, Kansas
William J. Curtis, Florida

D

Milton J. Dance, Maryland
Nick Danesky, Florida
Cecil Willard Davis, Colorado
Valentine Delles, Florida
Pedro Del Valle, Maryland
George O. Demke, Oklahoma
Sal De Palma, New Jersey
Joseph Summer Deutschle, Sr., Ohio
Carl A. Dewey, Colorado
James K. Dick, Maryland
Paul C. Doble, Virginia
Arthur Dodge, Montana
Dean H. Dowis, Colorado
Jerome F. Duggan, Missouri
Thomas H. Dunn, Florida
James R. Durfee, Wisconsin
Harry B. Dyche, Virginia

E

William D. Early, Kentucky
Aspen Ede, Wisconsin
F. J. Eison, Arkansas
John H. Elder, Virginia
John B. Elliott, Canada
Cecil Elrod, Jr., Tennessee
Ervin L. Emery, Maine
C. F. "Chick" Evans, Wisconsin
Charles Evans, West Virginia

F

Mrs. Lucy Faherty, Arizona
Al J. Fern, California
Paul R. Fisher, West Virginia
Phil Fleming, Maryland
George L. Fletcher, Oklahoma
Robert D. Flory, Nebraska
Richard Foley, California
Harry Fritts, Tennessee
Milton F. Fulda, Wisconsin
Dr. Ronald H. Fulmer, South Carolina

G

Vincent J. Gallagher, Ohio
John Bruce Gammon, Kansas
Gerardo Garafolo, Missouri
Roy B. Gardner, Ohio
Ralph F. Gates, Indiana
Spencer Gay, Maine
John L. Giddings, Oklahoma
Carl B. Gilbertson, South Dakota
H. L. Gillespie, Arizona
Arthur Gillette, Kansas
George H. Gilliland, California
Warren W. Glaspey, Oklahoma
Glen W. Glover, Kansas
Kelly Goad, Tennessee
Pearl J. Goble, Kentucky
Erwin J. Goff, Iowa
Morris Goldfeder, Oklahoma
Manual Goldman, Missouri
William M. Goodman, Georgia
Robert B. Grauberger, Colorado
Dr. Paul A. Grigsby, Missouri
Allen Gunderson, Wisconsin
Beattie Gwyn, Virginia

H

Robert G. Hahn, Florida
Leon E. Happell, California
Walter J. Hardy, Texas
Harry C. Harless, West Virginia
Calvin Sanford Harrah, Oklahoma
Gerald Harris, South Dakota
Clyde C. Hart, Virginia
Norbert Haselhorts, Kansas
DeWilton W. Haslup, Maryland
Gene Hassman, Oklahoma
Arthur Hastings, Minnesota
Harry Helmick, Colorado
Ralph J. Henry, Jr., Missouri
Leo F. Herr, Oklahoma

John E. Herring, Georgia
Edward C. Hess, West Virginia
B. B. Hester, Texas
Walter C. Hickmon, Arkansas
Clay F. Hill, Oklahoma
Dr. F. L. Hill, California
Luther M. Hilliard, Kentucky
Ben B. Hodges, Georgia
Garland S. Hoffman, California
Leo C. Hoffman, Iowa
James J. Hogue, Maryland
Lee Honeck, Wisconsin
Theron Orville Hopkins, Oklahoma
Desmond B. Hunt, Minnesota
George Hunt, Oklahoma
John P. Hurley, Minnesota
Vern Hursh, Nevada
Laurence M. Hyde, Missouri
Donald W. Hunes, Indiana

J

Charles M. Jaco, Mississippi
Hugh C. Jamieson, Canada
Jerry Jarvis, Mississippi
Ernest Jenks, Colorado
Carl Jennings, Virginia
Axel Jensen, Minnesota
Albert C. Johns, Wisconsin
Harry A. Johnson, Texas
Rev. Pickens Johnson, Tennessee
Stanley Johnson, California
Van Johnson, Mississippi
William F. Jones, Maryland
Sam H. Jones, Louisiana
Lester Jordan, Oklahoma

K

Henry W. Keb, Hawaii
George Kebabian, Florida
Ernest G. Keefer, Missouri
Richard B. Kelly, Jr., Alabama
H. Arthur Kennedy, Arizona
Hugh Kennedy, Mississippi
William S. Key, Oklahoma
Arthur D. Kirk, Wisconsin
Thomas A. Kirk, Florida
Harry Kliewer, Colorado
J. B. Koch, Oklahoma
Otto Koenig, Oklahoma
Lloyd B. Kolliner, Minnesota
George J. Kremble, Michigan
Lee Henry Krough, Minnesota
Benjamin Kuchinsky, Mexico

L

Warren Lambert, Virginia
Leon V. Lanning, New York
M. P. LaFleur, Minnesota
Hilton C. Lambert, Texas
Ralph F. Langdon, Washington
Ralph Langdon, Washington
Cleddie B. Lanier, Virginia
Douglas LaPine, Mexico
J. R. Larcombe, Montana
Cecil A. Lasier, Arkansas
Lester Ledford, Oklahoma
B. C. Lee, Kentucky
Jack D. Levy, Texas
Julian Frank Lewis, California
Carl Lindbeck, Kansas
Russell R. Lipe, Oklahoma
Reo Lister, Missouri
Earl Litton, Iowa
H. R. Livingston, Iowa
Allen W. Lloyd, Mexico
James C. Long, Kentucky

M

Donald A. MacDonald, Washington
George "Bob" Malone, Indiana
Harrison Mann, Virginia
Charles Marston, Kansas
Thomas W. Marston, Jr., Missouri
William E. Marvel, Sr., Maryland
Blaine Eugene Mathers, Ohio
Vincent John Maxheim, Iowa
Ray Maxwell, Oklahoma
Tommy Mayes, Kentucky
Lee Meador, Kansas
Rev. Ezra Meckel, Minnesota
Henry X. Medeiros, Hawaii
William Dewey Mentz, West Virginia
Charles H. R. Merrick, Maryland
Lee Metcalf, Montana
Charles L. Michael, Maryland
William F. Middleton, Florida
Dan Miller, Kansas
Glen I. Miller, Mexico
Wade W. Miller, Ohio
Frank W. Millirons, Virginia
Joseph F. Milner, Wisconsin
Harry Molyneaux, Tennessee
Milton T. Money, Kentucky
Harold P. Monovill, Missouri
William Montgomery, Florida
Wilbur B. Morris, Kansas
Lawrence B. Mote, Mississippi
Harry E. Mundt, South Dakota
Miguel A. Munoz, Puerto Rico
William A. Murphy, Wisconsin
Carroll Myler, Kansas
Morris Meyer, Mississippi

Mc

Robert McCoy, Ohio
Vail McDonald, Kansas
Robert I. McEnnis, Kentucky
Marion Lakin McFarland, Kansas
Lawrence E. McGann, Jr., Illinois
Hugh McGrew, Kansas
James P. McHugh, New Jersey
John W. McLaurin, Mississippi
John J. McLean, Oklahoma
Ben B. McNair, Nebraska

N

Wilbur Neal, Kansas
James T. Neill, Kansas
David T. Nelson, Iowa
W. F. Nenney, Texas
Arthur E. Newsome, Virginia
Richard Nunley, Jr., Mississippi
K. T. "Sid" Nusbeck, Kansas

O

Allen I. O'Brien, Maryland
Gabriel T. Olga, Massassachusetts
Denton V. Opp, Indiana
R. P. Ostrander, California

P

Grant W. Page, Kansas
James A. Palmer, Tennessee
P. O. Parks, Oklahoma
Johnny E. Parsons, West Virginia
Claud Patrick, Oklahoma
Ralph Clements Patterson, Nebraska
E. C. Pennington, Oklahoma
Irving Leon Peterman, Mexico
J. Hardin Peterson, Florida
Larry G. Peterson, Colorado
Rev. Joseph W. Peterson, New Mexico
Harold Phelan, Nebraska
Robert Oliver Phillips, Philippines
Roy Pickens, Oklahoma
J. Anderson Pinkham, Maine
Ira Powell, Oklahoma
Milton W. Prueter, Illinois
Walter E. Purple, Mexico
William A. Purtell, Connecticut

Q

Sylvester Theodore Quillman, Kentucky
Cecil N. Quimby, Arkansas

R

John Ranus, Florida
Orin Rapp, Missouri
Sidney C. Raynor, Alaska
Claude Reagan, Tennessee
Neill Reed, Arkansas
Edmund Reedy, California
Giles A. Reeve, Michigan
Maurie B. Reeves, Tennessee
Arnold Grey Reynolds, Virginia
David M. Richardson, Georgia
Dr. Clifford Richmond, Missouri
Walter N. Riddell, Minnesota
Joseph G. Rinke, Michigan
Francis A. Riordan, Nevada
H. Paul Rivers, Oklahoma
Edwin A. Roberts, Florida
Clifton E. Robinson, Kentucky
Larry Ross, Arizona
Herman L. Rotruck, Maryland
James Halley Ruby, Florida
Herman C. Runge, Wisconsin
Aiden F. Russell, Washington
Walter Russell, Kentucky

S

John W. Saindon, Alaska
Eugene W. Savage, Montana
Gus A. Schmidt, Kansas
Paul W. Schmidt, Kansas
Emil K. Schmitz, Wisconsin
S. Hubbard Scott, Ohio
Errett P. Schrivner, Kansas
George U. Scudder, Maine
William J. Seibert, Mexico
Irving B. Selmer, Wyoming
George E. Seybold, Missouri
James F. Shehane, Georgia
Rudolph Silberschmidt, Wisconsin
Paul Simms, Ohlahoma
Clarence M. Simpson, Canada
Byron Smith, Oklahoma
Harold L. Smith, Sr., Kentucky
O. B. Smith, Oklahoma
Ralph W. Snider, Kansas
Howard R. Southard, Texas
E. T. Southern, Oklahoma
Dr. James V. Sparks, France
John H. Spencer, Florida
Mrs. Marjorie Spevack, Texas
John H. Spierings, Wisconsin
Edward G. Stack, Oregon
Charles Staley, Kansas
James K. Staley, Indiana
Arthur R. Stanley, West Virginia
Floyd G. Stanley, Louisiana
Elmo Stark, Kentucky
L. Dee Steele, Colorado
Milton A. Stewart, Texas
Howard P. Stout, Kentucky
Carl Strayer, Kansas

T

Robert V. Tait, Georgia
J. Herman Talkington, Oklahoma
John R. Tenney, Maryland
Ed. M. Thielen, Minnesota
James A. Thompson, North Carolina
Robert H. Thompson, Georgia
Dr. H. V. Thornton, Oklahoma
A. L. Tipton, Georgia
Emery F. Tobin, Alaska
Mrs. Ann S. Tompkins, Florida
John J. Toskey, Pennsylvania
Charles G. Trimmer, Mexico
Francis E. Turin, Missouri
Roy J. Turner, Oklahoma
George H. Tuttle, Colorado

U

Sidney Urbansky, Kansas

V

Dr. William K. Vance, Virginia
Harry Veal, Oklahoma

W

Franklin L. Waldt, Maryland
James L. Walker, Tennessee
Edward J. Walsh, Maryland
Emeory O. Wampler, Oklahoma
Carl Ward, Maryland
Eugene Nicholas Watry, Wisconsin
John Weabe, Oklahoma
G. G. Weatherington, Kentucky
Walter O. Webb, Alabama
Edward F. Weil, Arizona
Dayton Robert Wells, New York
Roy Wessels, Iowa
J. D. West, Arizona
A. B. Weyer, Missouri
Dr. Joseph E. Wheeler, Louisiana
Thomas E. Whelan, North Dakota
James W. White, Sr., Texas
Virgil J. White, Kansas
Robert K. Whiteford, Georgia
J. Lloyd Wignall, Utah
Max R. Wiley, Sr., Michigan
Philip A. Wilhite, Virginia
Arthur W. Wilkie, Indiana
W. E. Wilkins, Oregon
Charles A. Williamson, Colorado
E. Meade Wilson, Florida
Franklyn E. Wilson, Florida
Fred Winn, Wisconsin
J. D. Witt, Oklahoma
Chester A. Wofford, Arkansas
Richard M. Wood, Georgia
Garland H. Woods, Arizona
Charles L. Woolley, Rhode Island
Daniel E. Workman, West Virginia
Mrs. Evaline Pat Worth, Maryland
Frank C. Wright, Kansas
L. P. Wyatt, Kentucky

Y

Floyd L. Young, Indiana
Merle J. Young, Alaska
Lutheran W. Youngdahl, Minnesota
James E. Zulick, France

REPORT NATIONAL JUDGE ADVOCATE

B. G. DAVIS, NEW YORK

Contracts

Contracts and/or amendments to contracts prepared by the National Judge Advocate and contracts entered into by The American Legion which were reviewed and approved by the National Judge Advocate

(1) Contract by and between The American Legion and The American Legion National Convention Corporation of Texas, a Texas Corporation, covering the convocation of the 1979 National Convention of The American Legion in the City of Houston, State of Texas.

(2) Agreement by and between The American Legion and Robert Redden Associates, Inc., a New Jersey Corporation, covering the solicitation and procurement of advertising for The American Legion Magazine, in the States of Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware and the District of Columbia. The term of the Agreement extends from January 1, 1978, to December 31, 1978.

(3) Agreement by and between The American Legion and Jules E. Thompson, Inc., a California Corporation, covering the solicitation and procurement of advertising for The American Legion Magazine, in the States of Washington, Oregon, California, Idaho, Nevada, Utah, Montana, Wyoming, Colorado, Arizona, New Mexico, Hawaii, Alaska and British Columbia. The term of the Agreement extends from January 1, 1978 to December 31, 1978.

(4) Agreement by and between The American Legion and Fox Associates, Inc., an Iowa Corporation, covering the solicitation and procurement of advertising for The American Legion Magazine, in the States of North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky, West Virginia, Virginia, Tennessee, North Carolina, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, South Carolina and Florida. The term of the Agreement extends from January 1, 1978 to December 31, 1978.

(5) Agreement by and between The American Legion and Bassinette-White Company, a partnership organized and existing under and by virtue of the Laws of the State of New York, covering the solicitation and procurement of advertising for The American Legion Magazine, in the States of Maine, New Hampshire, Vermont, Massachusetts and Rhode Island. The term of the Agreement extends from January 1, 1978 to December 31, 1978.

(6) Agreement by and between Perkins-Goodwin Co., One Rockefeller Plaza, New York, New York, and The American Legion, covering the sale of paper by Perkins-Goodwin Co. to The American Legion for the use of The American Legion Magazine. The term of this Agreement extends from January 1, 1978 to December 31, 1980.

(7) Agreement by and between Westvaco Corporation, New York, New York, and The American Legion covering the purchase of velvo cover gloss paper for the use of The American Legion Magazine. The term of the contract extends from January 1, 1978 to December 31, 1981.

(8) Contract by and between The American Legion and International Design Associates, a Maryland Corporation, for the design of a base for the "Freedom Bell," The American Legion's Bicentennial gift to the United States, which is to be located in Washington, D.C.

(9) Leasing Agreement by and between The American Legion and the State of Indiana, acting by and through the Commissioner of the Indiana Department of Administration on behalf of the Indiana War Memorials Commission, covering the leasing of Building "C", of the Indiana World War Memorial structures (700

North Pennsylvania Street, Indianapolis, Indiana) for a period of four (4) years commencing November 10, 1977, with the privilege of renewal for a like period under the same terms and conditions.

(10) Agreement by and between The American Legion and Kansas Color Press, Inc., a Missouri Corporation, covering the printing work incidental to the production of The American Legion Magazine. Such work includes the composition, electrotyping, printing, binding, mailing and all other work required for the complete manufacture and shipping of the Magazine. The contract is to become effective with the August issue of the Magazine and will expire on July 31, 1981.

(11) Leasing Agreement by and between The American Legion and S. Q. Associates, covering the leasing of property known as 733–739 North Pennsylvania Street, Indianapolis, Indiana, for a term of five and one-half (5½) years, beginning October 1, 1977. This property is used as a parking area for certain employees of the Indianapolis Naitonal Headquarters.

(12) Agreement by and between The American Legion and Schilling Chilling Co., Inc., an Indiana Corporation, for the protective maintenance of the air conditioning equipment reposing in The American Legion National Headquarters Building at 700 N. Pennsylvania Street, Indianapolis, Indiana 46204. The effective date of this Agreement was November 1, 1977.

(13) Agreement by and between Hulsizer's Inc., an Iowa Corporation and the American Legion Auxiliary, covering the purchase and supply of poppy materials. The term of the Agreement commenced on September 20, 1977 and terminates on September 20, 1980.

(14) Agreement by and between The American Legion and The American University, Washington, D.C., covering housing for the Boys Nation Conference during the period July 12, 1978 to July 22, 1978.

(15) Contract by and between The American Legion and Business Consulting, Inc. (BCI) an Indiana Corporation, in connection with the inauguration of a drug and alcohol counseling program. The contract is for a term of one (1) year.

(16) The Office of the National Judge Advocate reviewed prior to execution, all insurance policies and riders to existing insurance policies in which The American Legion is the named insured.

(17) The Office of the National Judge Advocate reviewed all contracts in connection with The American Legion National Baseball Program prior to execution.

(18) The National Judge Advocate also reviewed all National Emblem Sales Division contracts for the year 1978 and the bonds furnished in connection therewith, prior to approval and execution, covering the purchase of specific items for sale, including but not limited to emblems and other paraphernalia.

(19) Charter Agreement and amendment thereto by and between United Air Lines and The American Legion covering a charter flight originating in Chicago, Illinois, August 29, 1978, and terminating in Yakima, Washington, on the same date, in connection with the transportation of regional American Legion Baseball Teams.

(20) Universal Agreements by and between The American Legion and NCR Corporation and amendments thereto, covering the acquisition by lease of an NCR Criterion 8550 System with peripheral equipment for a period of five (5) years commencing April 1, 1978. This equipment replaced the former NCR Century 201 System which was used in our computer center.

(21) Leasing Agreement by and between The American Legion and Nashua Corporation, Nashua, New Hampshire, covering the leasing of ten (10) 4437-2 Disc Packs for use on the NCR 658 disc drives located in our computer section in National Headquarters.

(22) Leasing Agreement by and between the American Legion Auxiliary and Savill Company, Inc., covering the rental of an apartment for the use of the

Member of American Legion Post No. 12; Thomas Larkins, individually and

Alabama Street, Indianapolis, Indiana.

Litigation

C. A. No. 77-494

John Nelson and Robert L. Kiernan as Administrator of the Estate of Marilyn Lawrence

vs.

David Schwartz, Richard L. Parsons, in his capacity as Officer, Associate and Member of American Legion Post No. 12; Thomas Larkins, individually and in his capacity as Officer, Associate and Member of American Legion Post No. 12; William F. Hauck, in his capacity as Adjudant Officer, Associate and member of The American Legion: The American Legion Department of Rhode Island; John Doe; and Richard Roe

On November 18, 1977, The American Legion was served with a Summons and Complaint in the above styled litigation, filed in the Kent Superior Court, Providence, Rhode Island. It is alleged that one David Schwartz was furnished alcoholic beverages at American Legion Post No. 12, Department of Rhode Island and thereafter while in an intoxicated state operated his motor vehicle, negligently, wantonly, carelessly and recklessly, thereby causing it to collide with a vehicle owned by one Marilyn Lawrence and operated by one John Nelson. It is further alleged that Marilyn Lawrence died as a result of the injuries suffered in the collision and that the operator of the vehicle, John Nelson, was severely and permanetly injured. Plaintiff Nelson seeks money damages for his injuries and Plaintiff Kiernan as Administrator of the estate of Marilyn Lawrence seeks money damages for wrongful death for and on behalf of the heirs of Marilyn Lawrence, deceased. Plaintiff joined The American Legion as a Defendent on the grounds of Respondent Superior.

Rhode Island General Statute § 3-11-1 provides, inter alia, for the "liability of the furnisher of beverages for injuries by intoxicated persons."

On January 18, 1978, local Co-Counsel entered a special appearance to contest the jurisdiction of the Court and filed a motion to dismiss the complaint. The court denied the motion without prejudice. The Judge considered the motion premature but did not foreclose it being raised later in the action.

On March 3, 1978, an answer to the complaint was filed by The American Legion and a cross claim filed against all of the other defendants in the action.

Thereafter, on June 9, 1978, written interrogatories were served on Plaintiff who has forty (40) days to respond thereto. Finally, on June 2, 1978, local Co-Counsel filed a Legislative Service Request with the Rhode Island Legislative Council requesting an interpretation of two (2) provisions of Rhode Island's "Dram Shop Act." There appears to be an ambiguity in two Sections of the Act which was confirmed by the Council. If this ambiguity involving legislative oversight is valid, the chain of liability to The American Legion would be broken. As this litigation unfolds, a further report will be made to you.

The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups Thereof

In accordance with the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) the Office of the National Judge Advocate has filed all of the necessary Annual Return Reports with the Department of Labor and with the Internal Revenue Service in connection with The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups Thereof and in connection with The American Legion Welfare Benefit Plan, all as required by ERISA.

Certain amendments to the Legion's Retirement Plan will be required in the Fall of this year to comply with the Age Discrimination in Employment Act amendments and to comply with certain other requirements promulgated by the Internal Revenue Service and Department of Labor.

Bequests

During the past year the National Organization was the recipient of the following bequests in connection with which the paper work was handled by the Office of the National Judge Advocate.

1. On January 9, 1978, a bequest was received under the Last Will and Testament of Margaret S. Maher, Santa Ana, California, in the amount of $100.
2. On May 1, 1978, a bequest was received under the Last Will and Testament of Thomas C. Bourke, Kansas City, Missouri, in the amount of $500.

Opinions Rendered

The National Judge Advocate has rendered 486 written opinions on questions which have been submitted by the several Departments and/or Posts of The American Legion, National Officers, staff members and individual members of our organization. These opinions involved matters legal, such as contracts, probate matters, federal tax questions, torts, insurance matters, Articles of Incorporation, civil rights statutes, retirement benefits under ERISA and other matters of a legal nature, problems concerning the interpretation and construction of the National Constitution and By-Laws of The American Legion, policy matters, and matters covering the internal affairs of The American Legion, its Departments and Posts, many of which matters required a great deal of legal research. In each instance, when appropriate, a copy of the opinion rendered was furnished to each of the following so that they would be acquainted with the decision affecting their Department: National Executive Committeeman, Department Commander, Department Adjutant, and Department Judge Advocate of the Department involved.

Many oral opinions were also rendered to the National Officers, National Commission Chairmen, to Department Officers and to Staff Directors of the National Organization upon subjects involving matters legal, financial, administrative and policy.

There were 28 written opinions rendered during the year to the National Secretary of the American Legion Auxiliary, in response to queries submitted to her for determination by me as Counsel General of the Auxiliary.

The National Judge Advocate has also rendered oral advice on matters legal and administrative to the National Officers of the American Legion Auxiliary on many occasions during the past year.

The American Legion Magazine

The National Judge Advocate, in accordance with established policy, has reviewed all manuscripts of articles destined for future publication in The American Legion Magazine, for the purpose of expunging statements or material questionable in character, contained therein, which might subject The American Legion to a Suit in libel. To date 122 manuscripts have been reviewed and appropriate comments in connection therewith were transmitted, when necessary, to the Publisher and/or the Editor of The American Legion Magazine. The National Judge Advocate has also rendered legal advice to The American Legion Magazine in connection with matters relative to the internal operations of its office.

Firing Line

At the 1955 National Convention of The American Legion, it was concluded that all statements made in each issue of the Firing Line should be documented and that the National Judge Advocate should review and approve each issue prior to publication in order to protect The American Legion from actions in libel. In accordance therewith, all issues of the Firing Line have been reviewed and either approved by the National Judge Advocate prior to publication, or rejected in whole or in part, with appropriate comments.

Parliamentary Duties

The National Judge Advocate attended the past National Convention of The American Legion and all meetings of the National Executive Committee and has served both bodies in the capacity of National Parliamentarian.

Meetings of the National Retirement Committee

The National Judge Advocate, as a member of the National Retirement Committee of National Headquarters, The American Legion, has attended and participated in all meetings held by this Committee during the past year.

Miscellaneous

I have also, in response to requests, drafted legal and other documents for the use of National Officers, and Officers of the American Legion Auxiliary, and have also furnished advice and guidance at the Departmental levels with respect to the drafting of resolutions designed to accomplish a given end.

Last, during the past year I have met with and attended numerous conferences with officials and staff members of The American Legion, and with officials of outside corporations, for the purpose of representation or for the rendering of advice and guidance for and on behalf of The American Legion on matters legal and administrative.

In conclusion, the National Judge Advocate wishes to thank all National Officers, Department Officials, and members of the National Executive committee for the valuable assistance and cooperation extended to him during the past year.

Respectfully submitted.

B.G. DAVIS, *National Judge Advocate.*

ADMINISTRATIVE SERVICES

JAMES S. WHITFIELD (Missouri), Executive Director

WILLIAM D. JACKSON (Indiana), Assistant Executive Director

The Administrative Services Division was established in the National Headquarters at Indianapolis, Indiana on August 1, 1966, at the time of the reorganization of the Internal Affairs Division. Prior to that date, the functions now assigned to the Administrative Services Division had been a part of the Internal Affairs Division.

Included in the Administrative Services Division of the Indianapolis Headquarters are the following administrative functions: Cashier, mail; printing; purchasing and general supply . . . stock, receiving, shipping; Library, Archives, E. A. Blackmore Museum; Communications Center; building maintenance; cafeteria; personnel records and recruitment; Finance section and Insurance section.

The Administrative Services Division also provides all secretarial assistance to the executive officers of The American Legion.

The Administrative Services Division is responsible for switchboard operations under the supervision of the Communications Center Supervisor.

The following statistical tables are indicative of the volume of work routinely performed by this Division:

Mail, June 1, 1977, to May 31, 1978

Incoming letters (distributed to various divisions for processing)	2,403,402
Incoming parcels	1,622
Outgoing letters	250,346
Outgoing parcels (exclusive of national emblem sales)	33,813

Communications Center, June 1, 1977 to May 31, 1978

Pages multigraphed and multilithed	**3,770,913**
Envelopes and labels addressed	**393,682**
Letters transcribed	**2,279**
800 ETS	**12,974**
Composer	**1,998**
Addressograph plates cut	**3,810**
Telegrams in 327, out 951	**1,278**
Total copy system	**2,976,387**
3-M	**74,765**
Headliner	**239**
Binding	**7,890**

Supplies, June 1, 1977 to May 31, 1978

Paper cut and processed (8,925 lbs., 4.46 tons)	**357 reams**

Freight and express, June 1, 1977 to May 31, 1978

Out	**1,832**
Pounds	**71,863**
UPS (in)	**3,252**
UPS (out) (exclusive of national emblem sales)	**5,881**

COMPUTER CENTER

The EDP-Computer Center is currently responsible for the following programs:

Updating of The American Legion Magazine, SAL, Firing Line, ADVANCE, and Legislative Bulletin mailing lists; and the printing of mailing labels and renewal notices.

Production of direct membership renewal notices and registers.

The production of membership cards and registers, department accounting reports and statistical information.

The printing of state paper mailing labels, upon request.

The maintenance of inventory controls, purchasing controls and billing applications for The American Legion Emblem Division.

Emblem Sales invoices and reports.

Productions of all general ledger accounting information.

All payroll reports and affiliated tax and insurance reports.

Maintenance of the mailing list and automated grading for the Extension Institute.

Production of audit control and circulation analysis reports for The American Legion Magazine.

Production of inventory control and purchase order control of National Headquarters.

Accounts receivable.

Retirement Investment program.

Furniture and Fixtures Inventory and Depreciation reports.

LIBRARY AND MUSEUM

Library

THOMAS V. HULL, *Librarian*

Satisfactory progress has continued during the year in increasing our various records, such as: the book collection, national, department and post records, American Legion publications, pamphlet and subject correspondence files, biographies of prominent Legionnaires and miscellaneous material.

250,400 items have been added in the past year and 11,066 requests have been answered by the library staff in the same period.

Rosters of the delegates to the Paris and St. Louis caucuses in 1919 were updated to reflect current addresses. The rosters are updated every ten years.

Indices on 3 x 5 cards were set up for our archives, bulletin file, minute file, report file. The artwork storage area was completely weeded and outdated art material discarded upon the recommendation of the division directors.

The Sons of The American Legion section of the subject correspondence file was enlarged to accommodate the great amount of material that was sent to the library for retention by the internal affairs division. Much of the material (photographs, resolutions, minutes, reports, etc.) had been on file in the division office and had never been filed in our library.

The contract for the subscriptions to magazines in our periodical collection was awarded to the Ebsco Subscription Services in Barrington, Illinois.

Films from the phased out American Legion film library were received, categorized, indexed, and shelved on the film rack in the rear of the library. The films have been retained for archival and historical purposes.

Through the years, Harry H. Kretzler, Sr., M.D., of Edmonds, Washington, has donated many military covers and stamps to our Library. This has been designated The Harry H. Kretzler, Sr., Philatelic Collection and placed in its own cabinet.

Books were donated by individuals and placed in the Verna B. Gromm Memorial Book Collection to honor the memory of: Clyde Bishop, Mrs. Roberta E. Gee, Robert Lee, Mr. and Mrs. J. Lloyd Wignall, Jack E. Fehsenfeld, Anton Hulman, Charles Clifford Keeler, Richard Ives Keeler, Mrs. Alice Peters, Donald A. MacDonald, Robert I. McEnnis, Clarence H. Simpson, Emery F. Tobin, Henry X. Medeiros, and Francis E. Turrin.

Special appreciation is extended to Mr. and Mrs. George H. Cornelius, Jr., Indianapolis, Ind., for interest in our Library and the donation of books to our Grimm Collection.

Mrs. Minne Belle Hickman, Washington, D.C., department historian of the District of Columbia and a member of U.S.S. Jacob Jones Post 2, Washington, D.C., presented the Library with a photograph of the U.S.S. Jacob Jones' ship during the Spring, 1978, meeting of the national association of department historians in Indianapolis. U.S.S. Jacob Jones Post 2, Washington, D.C. is named for this historical ship.

Mr. Donald E. Johnson, West Branch, Iowa, presented copies of the book "The President and Protest: Hoover, Conspiracy, and The Bonus Riot," by Donald J. Lisio, and the book "The War Generation: Veterans of The First World War," edited by Stephen R. Ward, to the Library. The Lisio book is an author-autographed copy.

Mr. Ernest F. Morgan, historian, American Legion department of Montana, presented a copy of the book "Montana in the Wars," compiled by Chester K. Shore, and "The American Legion Department of Montana History, 1977 and 1978," compiled by Ernest F. Morgan, to the Library.

Mr. Jerry T. Willingham, Indianapolis, donated his father's "Field Service Regulations, United States Army, 1914 edition," to the Library.

Mr. Schuyler E. Tallman, Amsterdam, New York, donated a facsimile copy of "History and Roster of The 18th Co., 4th Mechanical Regiment, Air Service, American Expeditionary Forces, France," to the Library.

Mr. Paul R. Frinsthal, Indianapolis, donated the book "Hoosier Caravan: a Treasury of Indiana Life and Lore," edited by R. E. Banta, to the Library.

Mr. Verne W. Coolman, Indianapolis, donated "Year Books of The American Legion Department of Indiana," for the years covering 1926–1932, 1934–1939, and 1941, to the Library.

Mr. Arnold E. Swanson, Frewsburg, New York, donated the "History of The American Legion in Chautaqua County, New York, 1919–1977," to the Library.

Mrs. Lillian M. Jennings, Northwood, New Hampshire, donated a "Brief History of the Supply Company, 112th Infantry, 28th Division, in the First World War," to the Library.

Mrs. Grace Conway donated her late husband's World War I editions of "The Recruit's Handy Book—United States Navy," and "The Bluejacket's Manual," to the Library.

Mr. Otto H. Mayer, Indianapolis, donated "Collier's Photographic History of World War II," a brochure about Camp Zachary Taylor, Louisville, in World War I, and a copy of Moss' "Officers' Manual," 1917, to the Library.

Dr. Harry H. Kretzler, Sr., Edmonds, Washington, donated Nathan Miller's book "The U.S. Navy: an Illustrated History," to the Library.

Mrs. Amy Radabaugh, Anderson, Indiana, donated an author-autographed copy of Elmer (Doc) Sherwood's book "The Diary of a Rainbow Veteran" to our Library.

Mr. Robert H. McCall donated the publication "The Indian," published weekly by the Second Division Association, A.E.F., in 1919, to the Library.

World War I nurses' service song books donated by the late Sarah Sand Stevenson from North Dakota who died in Medford, Oregon.

Microfilming projects this past year in the library's laboratory included: the completion of a two year project of microfilming quite a number of post publications in the bound periodical stacks, national convention verbatim minutes and proceedings for 1977, national executive committee verbatim minutes and proceedings for 1977–78, government printed proceedings of national convention, 1977 national convention Denver, Colo., newspapers, department newspapers for 1975–76, scrapbook and speeches of national commander Robert Charles Smith. Microfilming equipment purchased this past year included: Eastman Kodak "Motormatic" reader-printer that will accept both 16mm and 35mm roll film, microfiche and Micro-Thin jackets, and an Eastman Kodak "Star Tech" microfiche reader.

In connection with the microfilming of the bound collection of post publications, it was discovered that many of them contained valuable photographs of officers and post history and information not to be found in our historical files in the library. This information was clipped from them and filed.

The librarian attended the Indiana Library Association conference at the Atkinson Hotel in Indianapolis, Nov. 3–4, 1977. He and Mrs. Mary E. Mears attended ILA's reference roundtable indexing seminar at the Indiana State Library on May 19, 1978. Mr. Hull attended the Indiana Historical Society's fall workshop at Stouffer's Indianapolis Inn on Nov. 4–5, 1977, and the spring workshop meeting at Clifty Falls State Park, Madison, Ind., May 12–14, 1978. He attended the Indiana Oral History Roundtable meetings at Ball State University, Muncie, Ind., on Apr. 1, 1978, and at Clifty Falls State Park, Madison, on May 13, 1978.

He counseled with Mr. Bill Nye, reference librarian, Alexander Bracken Library, Ball State University, with regards to the Delaware County Oral History Project of taping interviews with World War I veterans in that county. Mr. Nye came to the Legion library on several occasions to listen to oral history tapes of Mr. Hull's interviews with World War I veterans in order to learn the interviewing techniques to use for his Delaware County project.

Mr. Hull attended the 69th annual conference of Special Libraries Association, June 10–15, 1978, in Kansas City, Mo. There, he participated in the SLA continuing education seminar on Time Management. As archivist for the museums, arts & humanities division of SLA, Mr. Hull researched the division archives for pertinent historical material that was used by Mr. Grant T. Dean, Chicago Historical Society Library, to compile the 50th anniversary history of the division. The history was distributed to division members at the Golden Anniversary dinner on June 12, at the American Restaurant, in Crown Center, at Kansas City.

Mr. Hull was reappointed archivist for the museums, arts & humanities division of SLA, and also for Indiana chapter, SLA, 1978–79.

He was elected director-at-large for Indiana Chapter, Special Libraries Association, for 1978–79.

Statistical summary of 12 months ending June 30, 1978

General correspondence and subject material coded and filed	34,605
Bulletins, minutes, reports, news releases, etc., coded and filed	1, 570
Pamphlets and clippings coded and filed	425
Materials loaned (books, magazines, newspapers)	5, 036
Periodicals received and shelved	8, 144
History material received and filed	5, 879
Folders and guides made	1, 909
Books cataloged	331
Letters written for national historian	1, 136
Letters written for national librarian and museum curator	663
Prominent legionnaire questionnaires mailed	1, 118
Prominent Legionnaire questionnaires returned	252
Prominent Legionnaire card entries	11, 575
Prominent Legionnaire death memorandums made	329
Interlibrary loans and outside library service	10
Entries to cumulative mandate subject card index of national convention and the national executive committee meetings	501
Followups sent	700
Requests answered in person	417
Requests answered by telephone	1, 206
Requests answered by interoffice mail	91
Requests answered by pneumatic tube	660
Requests answered by outside mail	1, 799
Total requests answered by library	11, 066
Total material added to library	250, 400
Microfilming—pages	187, 246
Alpha lists requests	818

Emil A. Blackmore Museum

THOMAS V. HULL, *Curator*

Many American Legionnaires, their families and friends visited our museum this past year.

Our museum participated in the Association of Indiana Museums American Revolution Bicentennial project of taking a state-wide inventory of museum collections to fill the need for adequate collection records and information about artifacts in Indiana museums. A complete inventory of the objects in our museum was taken on June 12–16, 1978, at no cost to our organization. The goal of the project is to make the estimated 250,000 artifacts in Indiana museums more accessible by (1) providing catalog information about their collections to the 60 percent of Indiana museums with records 75 percent or less complete, (2) providing free of charge to each museum participating one printed listing of the objects in its collections, (3) translating the inventory records of all participating museums into machine readable form for storage and retrieval by computer, and (4) developing an information bank as a back-up for each museum's catalog, providing a duplicate should the original be destroyed and as a central source of information about the state's museum holdings. In addition, if fire, flood, etc. should destroy our records, we will be protected by having a duplicate copy safely stored in a central location with other participating museums. (The records at the central location will also be available to researchers and museum people who desire to locate objects for study and exhibit loans).

Significant objects added this past year included:

Various philatelic covers and stamps donated by Dr. Harry H. Kretzler, Sr., Edmonds, Wash.

1977 American Legion national convention commemorative bottle from Denver, Colo.

Preliminary pencil drawing made in conjunction with a finished pen and ink drawing of the Vietnam War, donated by artist, James Pollock, Pierre, South Dakota.

Engraved plaque from a pen and ink drawing by George Neu of the beautiful Alonzo Cudworth American Legion Post No. 23 Clubhouse in Milwaukee, Wis., donated by R. Robert Filter, Milwaukee.

Photograph taken in St. Louis of members of The Society of American Legion Founders attending a reception at the home of past president of the Founders Society, Gale F. Johnstone, upon the occasion of the observance of the 50th anniversary of The American Legion in that city, May 5–10, 1969, donated by James L. Boyle, Waterville, Maine.

World War II German officers' Mauser pistol, donated by Jack F. and Robert C. Yager, Indianapolis, Ind.

United States Navy WAVE uniform from World War II, donated by Mrs. Herberta T. Stark, Meredith, New Hampshire.

Embroidered World War I postal cards, donated by Elise M. Arnold, Hialeah, Fla.

The three oil paintings of Gen. John J. Pershing, U.S.A., Sir Douglas Haig, Great Britain, and Ferdinand Foch, France, by Irving Sinclair (1918), donated by Ballard Cochran American Legion Post N. 40, Seattle, Wash., were cleaned and hung on the west wall of the hallway leading into the National Executive Committee Room. Roping was installed in front of them to protect them from visitors.

AMERICANISM COMMISSION

DANIEL J. O'CONNOR (New York), *Chairman*

RAY PATTERSON (Iowa), *Director*

The National Americanism Commission of The American Legion was created by a recommendation made to and adopted by the National Convention held in Minneapolis, Minnesota in 1919. The recommendation reads as follows: "We recommend the establishment of a National Americanism Commission of The American Legion, whose duty shall be the endeavor to realize in the United States the basic ideal of this Legion of 100 percent Americanism through the planning, establishment and conduct of a continuous, constructive educational system.

It is the objective of the National Americanism Commission to translate Americanism precepts, principles and ideals in an understanding and practical manner to Legion Posts and other groups and individuals, including Young America.

While the Americanism program consists of a broad, objective, general program featuring wide-range community service, better citizenship, youth development and counter-subversive activities, the efforts of the National Americanism Commission are educational in nature and embrace specific objectives as follows:

To promote understanding of the principles of democratic government developing interest in governmental problems, and bringing more citizens to think seriously of the duties of citizenship;

To give sound, practical service in our communities, working to make these communities better and safer places in which to live;

To emphasize religion, encouraging its continuation in the life of every citizen;

To encourage education in every possible manner, presenting School Awards, conducting Oratorical Contests, cooperating with education and citizenship groups, promoting proper Flag Etiquette and display, and sponsoring objective youth-development programs;

To do important work for the youth of America, sponsoring Baseball, the National High School Oratorical Contest, Boys State, Boys Nation, Boy Scout activities and many other citizenship and objective-training activities;

To work for the assimilation of aliens through schools of citizenship and other agencies, and stand for the restriction of immigration so that this assimilation may approach perfection;

To combat subversion and all un-American groups and activities which have for their aim the downfall of democracy in America.

Following is a summary of the highlights of various program areas which are the responsibility of the National Americanism Commission and have been implemented during the 1978 American Legion year.

Education and Scholarship Program

The American Legion National Americanism Commission, created in 1919, expressed its concern with education at the time and included a major objective committing The American Legion to constructive education support. Throughout the years of its existence, the efforts of the National Americanism Commission have been directed toward that purpose and have provided support to secure adequate funds for school construction, research, teachers' salaries, improved curriculum and a variety of resources to assist students to continue with their education.

The 37th National Convention adopted the following objectives and they continued to serve as the guidelines for this year's program development:

(1) To help make it possible for any veteran or dependent of a veteran who has ability or desire to receive an education beyond high school;

(2) To encourage the membership of The American Legion and its affiliated organizations to take an active part in the development and maintenance of a school system that will serve the needs of all children at every level;

(3) To encourage students to select careers where personnel shortages exist;

(4) To explore and summarize existing scholarship sources;

(5) To make known to potentially eligible children the sources of scholarships that exist;

(6) To develop new scholarship opportunities for the increasing number of students who will reach college in the years ahead;

(7) To cooperate with established organizations in the recruitment of students for careers where personnel shortages exist.

"Need A Lift?"—This publication again revised in the Fall of 1977, contained 132 pages of career sources, scholarships, grants and loan information, for not only veterans and their dependents, but for all children. This year's book was divided into eight chapters including (1) Introduction (4 pages); (2) Sources of Career Information (10 pages); (3) Sources of Scholarships and Financial Aid to Veterans and Non-Veterans Children (26 pages); (4) Sources of Loans for Students (5 pages); (5) State Educational Benefits (42 pages); (6) Some American Legion Educational Aids (22 pages); (7) Sources of Educational Assistance for Veterans and Their Dependents (14 pages); and, (8) Sources of Additional Helpful Information for Students, Parents and Counselors (8 pages).

This year's distribution totalled 120,000 copies with the majority reaching high school and college counselors, librarians and other youth serving groups throughout the United States.

Copies of "Need A Lift?" have been provided to each Superintendent of Public Instruction throughout the United States.

Copies of "Need A Lift?" are available from The American Legion "Need A Lift?", P. O. Box 1055, Indianapolis, Indiana 46206. 50¢ prepared.

"A Guide for Parents and Students"—This pamphlet, with a distribution in excess of 175,000 copies during the last school year, contains valuable information for thoughtful high school students and their parents in planning a career, the necessary education and financing.

American Legion Posts and Auxiliary Units were responsible for placing this pamphlet in the hands of numerous students and concerned parents during the observance of American Education Week.

"A Guide for Parents and Students" may be obtained from The American Legion, National Emblem Sales, P. O. Box 1055, Indianapolis, Indiana 46206, at a cost of $6.00 per 500 copies or $10.00 per 1,000 copies.

"Fact Sheets"—The American Legion's concern for the education of the veteran and his dependents resulted in updating and distributing three fact sheets that explain the current laws regarding the GI Bill, the Junior GI Bill and the Extension of Social Security Benefits to students beyond age 18. It is the belief of The American Legion that many people are not aware of these programs, therefore, local Posts and Units have been encouraged to post this information in every available space.

The fact sheets are available to anyone by writing to The American Legion, Education and Scholarship Program, P. O. Box 1055, Indianapolis, Indiana 46206 and enclosing a stamped, self-addressed, No. 10 envelope.

American Education Week is an annual event, established in 1921 by the joint action of The American Legion and the National Education Association to focus public attention on the needs and achievements of the Nation's schools. Helpful pamphlets and suggestions have been prepared for distribution to all American Legion Posts as they formulate plans for this year's observance.

This year's theme "Education Can Turn Things Around", to be observed November 12–18, 1978, requests The American Legion to urge all citizens to recommit themselves to America's most important product—school-age youngsters. The objective of The American Legion is to provide leadership in assuming responsibility and taking effective action to contribute to solutions of education problems now. Many other National organizations have joined with the sponsors in the anticipated observance of American Education Week.

Eight and Forty National Lung and Respiratory Disease Scholarship Program—The American Legion develops, publicizes and administers the Eight and Forty National Lung and Respiratory Disease Nursing Scholarship Program, which has for its objective the preparation of nurses at the graduate level in order that they may serve in the area of prevention and care as it relates to Lung and Respiratory Diseases throughout the United States. The Eight and Forty, for the year 1978–79, awarded twenty scholarships at $1,500 each, bringing its accumulative total to 250 awards and $328,500. This scholarship program will again be offered for the 1979–80 school year.

The American Legion, with help from the Auxiliary, again had educational exhibits at the National Convention of the American Personnel and Guidance Association where we were able to reach more than 13,000 persons who are directly involved with the education of our youth.

Throughout the year, we have taken an active part in high school Career Days, serving as panel moderators, encouraging young people to consider occupational fields where shortages exist and alerting them to the many sources of financial assistance available in pursuing further education.

To assist in and provide information explaining the MEDIHC Program, Law Enforcement Grants, student Social Security Benefits and Federal Education Grants, to eligible and interested students, The American Legion has cooperated with these agencies by creating an awareness to the programs through Posts and Units throughout the Nation.

Area Conferences: During each of the five Area Children & Youth Conferences, a block of time was reserved for an Education and Scholarship meeting. Area and Department Chairmen, as well as other interested persons, were invited to discuss objectives, problems and trends of education as they relate to The American Legion and its Auxiliary.

The major emphasis at each Conference focused upon the following objective areas of the National Committee on Education; Career Education; Citizenship Education; Financial Assistance; and, American Education Week.

The last hour was devoted to a Question and Answer session where the Keynote Speaker and a panel of four would answer questions relating to: the place of education in today's world; where it is; where it is going; problems that face education; and, the role The American Legion and the American Legion Auxiliary can and should play in bringing about improvements.

General announcements of new educational program materials were made regarding the "PACT" in Education Handbook and accompanying "Pact" brochure. "PACT" stands for Post, Auxiliary, Community Together and since December 1978, we have had a great response, not only from Legion and Auxiliary members, but Superintendents of Education as well as others interested in education.

A similar Conference has been scheduled for the 1978–79 year in conjunction with the Children & Youth Area Conferences at the following locations: Western—Denver, Colorado, November 2–4, 1978; Southern—Savannah, Georgia, November 16–18, 1978; New England—Providence, Rhode Island, November 30–December 2, 1978; Middle Atlantic—Pittsburgh, Pennsylvania, January 11–13, 1979; and Midwestern—Topeka, Kansas, January 25–27, 1979.

The basis for The American Legion's Education and Scholarship Program is its Policy on Education, adopted by National Convention, 1959, amended by the National Executive Committee in 1967 and again in 1974. The fundamental concepts are described in the following paragraphs.

The American Legion has always strongly supported the principle that education is a necessary prerequisite to the successful functioning of a democracy. While recognizing the right of private and religious groups to maintain schools, The American Legion vigorously subscribes to the necessity of a universal publicly supported system of primary, secondary and college education to insure that every American child has the opportunity for an adequate education. The American Legion believes that popular self-government as created by the covenant set forth in the Constitution of the United States, cannot continue to exist unless there is the bulwark of a continuing system of free public education. Not only does proper National defense require trained personnel, but the daily operations of our local, state and Federal governments, our farms, our professions, our commerce and industry and, in fact, every phase of life today, demands that we have competent citizens, who are qualified, willing and able to discharge their responsibilities.

The availability of educational opportunity for every individual to pursue his own development is a prerequisite to the achievement of all other social goals. Our educational system must, therefore, be designed to provide every person the means to reach his highest potential, which, in turn, will provide our Country as a whole with the high level of responsible citizens and specialized workers which it requires. In turn, we will have greater assurance of economic growth, of sound decision-making, and the knowledge necessary to promote our National security.

The American Legion cannot subscribe to the European system of a small preferential system of elite education only for the classes; rather we put our faith in widespread public education for the masses. It is not meant to suggest that every student can derive the same benefits from education or that every student should go to college. Nor, is it meant to convey the idea that the able or exceptional student should be held back to a group pattern.

This educational system should produce citizens who understand and who are dedicated to the principles of free enterprise; to democratic principles and processes; and whose devotion to freedom and human dignity goes beyond mere lip service.

The American Legion further believes that the citizens of this Country should be dedicated to the pursuance of excellence in the entire realm of intellectual endeavor; that our people should recognize and esteem those persons who have developed their initial abilities to the fullest extent; that teachers should enrich their knowledge and capacity particularly in the fields in which they teach and that scholarship assistance to deserving students should be expanded.

Such an educational program will fulfill the dreams of the past, the aspirations of the present and the needs of the future. The American Legion supports such a system of education, and believes that the vitality of our democratic way of life is dependent upon such schools.

Boys State/Boys Nation

Over 30,000 Boys Staters, representing fifty American Legion Departments, participated in their respective Boys States, receiving orientation in the operation of city, county and state government. One hundred of these outstanding young high school students were selected to attend the annual Boys Nation program in Washington, D.C.

The Boys Nation program is a detailed study of the function of the Federal Government and was held on the campus of American University from July 14–22, 1978.

At Boys Nation, delegates visit Federal Agencies, where they receive briefings on the functions of the various Departments of the Federal Government, following which they themselves conduct hearings, act on bills in session and culminate their activities with an election of a Boys Nation President and Vice President.

Highlights of the Boys Nation program are visits by the Boys Nation delegates with their respective Congressmen and the traditional visit to the White House to meet with the President of the United States.

Boys Nation serves as a unique government training program for the delegates and motivates their interest and concern in the Federal Governmental process.

Oratorical

The Forty-First Annual National High School Oratorical Contest Finals were conducted Friday, April 21, 1978, at Mills School, Klamath Falls, Oregon. The Department of Oregon provided an excellent setting for the contest, and John R. Sollman, a member of the National Americanism Council, served as the National Representative.

Fifty-two Departments of The American Legion participated in the Oratorical program, and the four National Finalists selected from thousands competing in the contest were: First Place—$8,000 Scholarship, Debra A. Morris, Lawton, Oklahoma; Second Place—$5,000 Scholarship, David A. Silva, Staten Island, New York; Third Place—$3,000 Scholarship, Neal R. Jones, Smithfield, North Carolina; and Fourth Place—$2,000 Scholarship, R. Jane Zachary, Shafter, California.

In addition, each Department Winner who competed in the National High School Oratorical Contest at the Regional level received a $500 scholarship to pursue education beyond high school.

The American Legion Life Insurance Trust Fund provides $44,000 annually in scholarship awards to recipients at the National level. To date, they have awarded $586,000 in scholarship awards. Additionally, scholarships are awarded at the Post, District and Department levels.

Scouting, U.S.A.

Michael F. Suarez, an 18-year-old senior at Xavier High School, Manhasset, New York, sponsored by American Legion Post No. 304 of Manhasset, was named The American Legion Scout of the Year for 1978.

American Academy of Achievement

A unique opportunity is afforded American Legion youth champions each year by their participation in the American Academy of Achievement. The Academy honors some fifty adult "Captains of Achievement" with the Golden Plate Award. The youth champions are honored with the "promise of greatness," and depending on their individual and personal honors, are rewarded with either the "Golden Eagle Award" or the "Golden Scroll."

Through the cooperative efforts of The American Legion, Reader's Digest and the Academy, forty American Legion youth champions were honored this year. The youth champions include State Champion Orators, Boys State honor delegates, Boys Nation delegates, and The American Legion Scout of the Year.

This year's "Salute to Excellence" weekend was held June 22–24 at the Executive Inn Rivermont in Owensboro, Kentucky.

The National Americanism Commission is grateful to the many Departments who have sponsored their youth champions to this fine program. Participation in the American Academy of Achievement is an excellent tribute to the youth of our American Legion youth programs, providing an opportunity for them to meet with the adult honorees from business, industry, medicine, the arts, sports, military and civic leaders, as well as their peers from other youth programs.

Americanism and Flag Education

The American Legion realized a successful legislative battle when the President signed Congressional Amendment (Public Law 344, 94th Congress) to the United States Flag Code (Chapter 10, Title 36 of the United States Code)—rules and customs pertaining to the display and use of the Flag of the United States by civilians, civilian groups or organizations.

The American Legion is recognized as the leader in instructing the American public in the proper display and respect for the United States Flag. The latest amendment to the Flag Code represents yet another step by the Legion to modernize and clarify the Flag Code for use by United States citizens.

In an effort to inform and educate American Legion and American Legion Auxiliary members, as well as the general public, The American Legion has produced a 20-minute film explaining the various interpretations of the recently revised Flag Code.

American Legion Baseball

American Legion Baseball celebrates its fifty-third anniversary in 1978. This program continues to provide young American youth the opportunity to learn the rudiments of baseball and teaches them a code of sportsmanship at the same time.

The American Legion Baseball Player of the Year in 1977 was William Floyd Schell, an infielder for South Bend Post No. 50, South Bend, Indiana, the 1977 National Championship Team. Schell was honored at the Hall of Fame Game, Cooperstown, New York, August 7, 1978.

David Mark Winfield of the San Diego Padres was selected as the 1977 American Legion Baseball Graduate of the Year and was so saluted by National Commander Robert Charles Smith at special ceremonies prior to the game scheduled between the Padres and the St. Louis Cardinals at San Diego, May 16, 1978. The choice was made since Winfield exemplifies the aims and principles of our program by his general good conduct on and off the field, his cooperation with others, his community service, his playing ability and his contribution to the sport and to youth. Slightly more than fifty-five percent of all 1977 Major Leaguers—501—play American Legion Baseball as teenagers.

Regional tournaments leading up to the 1978 World Series at Yakima, Washington, August 31–September 1 will be played at: Northeastern (Region 1)—West Quincy, Massachusetts; Mid-Atlantic (Region 2)—Hampton, Virginia; Southeastern (Region 3)—Coral Gables, Florida; Mid-South (Region 4)—Shreveport, Louisiana; Great Lakes (Region 5)—Stevens Point, Wisconsin;

Central Plains (Region 6)—Rapid City, South Dakota; Pacific Northwest (Region 7)—Sheridan, Wyoming; Western (Region 8)—Arvada, Colorado.

Greenville, Mississippi will host the 1979 World Series, and Ely, Minnesota was awarded the 1980 event.

For the 1978 season of American Legion Baseball, —— teams desiring to participate in National competition have been certified to National Headquarters. This is a slight increase over 1977's total. It is estimated that 250 teams not certified for National competition also participated in the Legion Baseball program during the 1978 season.

The 18th Annual National Baseball Conference will be held at Indianapolis, Indiana, September 23–24, 1978. Fifty states, the Panama Canal and Puerto Rico baseball chairmen will meet to discuss and recommend policy for the 1979 American Legion Baseball season.

School Medal Award Program

Thousands of young students are recipients of The American Legion School Medal Award each year. This program is designed to recognize the young people for the following purposes:

Courage.—Bravery in the face of opposition and danger; determination and force to do the right thing without public applause and regardless of personal advantage. A quality of the intellect.

Honor.—Highly-developed moral character; moral excellence; strength and stability of character; high standards of conduct; devotion to duty; adherence to truth; keen sense of what is right; practice of clean speech.

Leadership.—Ability to lead and to accomplish through group action; ability to work in harmony and in unison with other leaders in accomplishing group results; desire and ability to fill the voids in the lives of others caused by timidity, illness and other handicaps.

Patriotism.—An ideal of loyal Americanism, religious tolerance, righteous freedom, and the willingness to defend our Flag against all enemies—foreign or domestic. Perhaps best defined in the American's Creed.

Scholarship.—Attainments in school studies, quality of school work reflecting the fine traits of industry; perseverance; efficiency and intelligence.

Service.—Kindness; unselfishness; fellowship; protection of the weak; promotion of the interests and welfare of associates; and constructive aid for the upbuilding of schools and community.

Service to God and Country

The National Americanism Commission has the pleasant task of assisting the National Chaplain and Department Chaplains.

A conference of Department Chaplains was held at National Headquarters in the fall of 1977 and another conference is scheduled for November 14–15, 1978.

The Commission looks forward to a continued fruitful relationship with the Chaplains.

Marksmanship

In cooperation with The American Legion, the National Rifle Association conducts annual individual and team postal rifle and pistol matches for Legionnaires and rifle matches for members of The Sons of The American Legion (SAL). This program is designed for American Legion Posts as a recreational activity which will stimulate interest not only in rifle and pistol marksmanship, but also firearms safety.

COUNTER-SUBVERSIVE ACTIVITIES COMMITTEE

ALVIN F. GRAUERHOLZ, Kansas, *Chairman*

Through its publication, Firing Line, the Counter-Subversive Activities Committee continues to inform members of The American Legion and citizens of this country concerning what is transpiring not only in this country but abroad. Emphasis this past year was placed on terrorism, both domestic and worldwide, and the resurgence of the Nazi movement and the Ku Klux Klan.

A 172 page study, "International Terrorism. The Communist Connection," was published by the American Council for World Freedom. This work was coauthored by Dr. Stefan Possony and L. Francis Bouchey. A foreword by Rep.

Richard Ichord, D-Mo., a member of the House Armed Services Committee, said the study "dramatically demonstrates that terrorism is principally a political pathology, woven together by a vague Marxist ideology internationally, which is supported overtly and covertly by Communist governments that wish to destabilize non-communist countries." The study concludes, "There is virtually no terrorist operation or guerrilla movement anywhere in the world today, whether communist, semicommunist, or noncommunist, from the Irish Republican Army to the Palestine Liberation Organization to our own Weather Underground, with which communists of one sort or another have not been involved." The study did not find a "Terrorist International" directing activities on a worldwide scale. However, there is concrete evidence that various terrorist organizations provide help in the form of arms and sanctuaries for those engaged in a particular operation.

Of great concern to the Counter-Subversive Activities Committee is the resurgence of both the Nazi movement and the Ku Klux Klan. This has occurred abroad as well as in this country. Information was disseminated in Firing Line concerning this development. Nazis both here and in West Germany have become bolder and more brazen and there has been cooperation between them. There are several splinter groups of Nazis in this country and they operate under the umbrella name of the American Nazi Party. It has been reported that one such group has been providing financial assistance as well as propaganda material to a West German group.

In recent months, the Ku Klux Klan has tried to gain additional members and support from similar groups in Great Britain. However, representatives of the American groups were expelled from England. Their activities in the United States have increased greatly in the past year.

It should be pointed out that Communist organizations and their fronts have been equally active during this same period of time.

The American Legion and its Counter-Subversive Activities Committee continue to be alarmed concerning the lack of any legislative overlook of internal subversion. This is particularly dangerous and foolhardy at this time in history when terrorism is rampant worldwide. Although it is not expected that the United States will be subjected to activity by foreign terrorists here—it may be abroad—it is felt that we cannot escape such actions from domestic terrorist groups.

A continuing and concerted effort is being made by The American Legion to effect the revival of the House Committee on Internal Security or the creation of a similar committee.

EDUCATION COMMITTEE

Dr. Jack W. Mears, California, *Chairman*

The American Legion National Committee on Education was established, following an extensive two-year study, by the National Executive Committee during its meeting held in Indianapolis, Indiana, May 5–6, 1976. This Committee has filled the vacuum created by the dissolution of the Joint Committee with the National Education Association and will provide the vehicle necessary for continued involvement in promoting quality education for the youth of this Nation.

The purposes of the National Committee shall be: (1) To inform itself and The American Legion of developments, problems and potentials in the field of education; (2) To recommend appropriate policies and programs for The American Legion; and (3) To maintain contact with the educational community so that there may be an interchange of thinking between The American Legion and educators, students and other organizations concerned with the well-being of education throughout the Nation.

Specific efforts to accomplish the purposes are to be directed toward the veteran returning to school, Career Education, citizenship develpment, adult education, financial aid programs and participation in the observance of American Education Week.

The Committee is composed of six Legionnaires appointed on a staggering basis to three-year terms, by the National Commander; two Legionnaires appointed by the Chairman of the National Americanism Commission and three members of the Auxiliary, appointed by the National President.

The degree of success of this Committee is determined by the priority assigned and sincerity of appointment given to similar committees at the Department and Post level.

COMMISSION ON CHILDREN AND YOUTH

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Middle Atlantic Area—Continued

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Southern Area

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L. J. Fagan, Jackson, Mississippi
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Harold Jinks, Piggott, Arkansas
Cameron L. King, Robards, Kentucky
Carroll B. Fields, Alexandria, Louisiana
Harry Wright, Mexico
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Josephine A. LoCicero, Holmes Beach, Florida
Grady D. Majors, Columbia, South Carolina
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Frances Swensen, Junction City, Kansas
Glen T. Ainslie, Battle Creek, Michigan
Lloyd L. Grossnickle, Monticello, Minnesota
Robert Maxwell, Libertyville, Illinois
Ray A. Griffin, Aurora, Nebraska
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Ralph W. Clausen, Watertown, South Dakota
David Dilling, North Manchester, Indiana
William R. Ball, Hannibal, Missouri
Marlo R. Brackelsberg, Mohall, North Dakota
Mrs. Lois M. Rand, Spooner, Wisconsin

Western Area

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Dr. Leonard C. Labine, Moscow, Idaho
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Mrs. Lois B. Galvin, Ridgecrest, California
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Jack Zwerdlinger, Aurora, Colorado
Chester L. Perkins, Reno, Nevada
Maloy R. Bills, Salt Lake City, Utah
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Children and Youth Commission

Ray C. Patterson, Director
Paul R. Frinsthal, Deputy Director
William J. Caldwell, Assistant Director

COMMISSION ON CHILDREN AND YOUTH

EARL D. FRANKLIN, Jr., Colorado, *Chairman*

RAY C. PATTERSON, Iowa, *Director*

The total Children & Youth Program of The American Legion, American Legion Auxiliary and the Eight & Forty is challenging, if we care about the many problems facing the youth of this nation. Baffling, puzzling or perplexing as the puzzle may seem, any dedicated individual can make the pieces fit if he or she accepts the challenge. If everything is placed in its proper perspective, you can see that the problem is solvable.

It was for this reason that the Commission on Children & Youth selected for its 1978 theme "Making the Pieces Fit—Accept the Challenge." The task before us is challenging but not too baffling or puzzling. Why? Because no matter how perplexing the puzzle may seem, always remember that if we place the pieces in their proper places, the solution is evident.

We as dedicated Children & Youth volunteers, concerned about the welfare of our nation's youth, hope that this year and in years to come, we will be "Making the Pieces" by "Accepting the Challenge" to reach our goals.

1978 Program

The Commission on Children & Youth for its 1978 program considered many areas from a magnitude of children and youth problems of major importance to our nation's young people. The following areas were selected for emphasis during the 1978 year:

1. Alcohol and Youth.
2. Immunization.
3. Child Abuse and Neglect.

With interest shown by the Commission in these areas, many fine projects were developed at the Department and Post levels to combat the problems presented by these points.

Alcohol and Youth

Alcohol is the number one drug problem among today's teenage population. Teenage alcoholics are estimated to be between 400,000 to 500,000 per year. Juvenile arrests for alcohol-related crimes are increasing at an alarming rate. Nearly 8,000 young Americans die each year on our highways as a result of alcohol-related accidents.

Why do teenagers drink? The reasons are many and varied and too numerous to mention. However, in a survey conducted by the Commission, the teenagers admit that there is a problem with alcohol and drinking and they see peer pressure as the major cause followed by parental influence.

Teenagers need guidance that allow them to learn the facts about alcohol so that they can judge for themselves whether or not they want to drink.

In this our third year of stressing this issue, we are most proud of our Post and Unit involvement. These volunteers have joined forces with other community groups in alerting school officials, parents, law enforcement personnel and others about this program.

Immunization

Thousands of children died or were left crippled by polio during the 1950's. In bygone years, "hard measles" struck an estimated four million children each year. From 1963–64, an epidemic of German measles or Rubella caused 30,000 miscarriages and left more than 20,000 severely disabled babies. These are just a few examples of what happened before safe, effective vaccines were found for communicable diseases.

Because safe, effective vaccines now exist, a widespread fantasy prevails that these are diseases of the past. National statistics reveal that immunization levels are dangerously low and that more severe and more sweeping epidemics of some diseases threaten as the number of unprotected persons increases.

Of the 52 million children under 15 years of age, 20 million are not properly immunized against the communicable diseases. The Department of Health, Education and Welfare is striving to immunize these youngsters by 1980.

Post and Unit volunteers this past year have been very busy implementing immunization programs in their communities and we are proud of the gains they have achieved during our second year regarding this issue. In cooperation with local medical groups, school officials and health professionals, The American Legion has taken giant strides forward to prevent senseless outbreaks of controllable diseases.

Child Abuse and Neglect

How would you, as an adult, like to be abused and neglected? Every day hundreds of children face this very dilemma which is the repeated mistreatment or neglect of a child by parent(s) or other guardian resulting in injury or harm.

It is unfortunate but parents are by far the most frequent abusers of children. Some of the common signs of child abuse and neglect are repeated injuries, neglected appearance, disruptive behavior, passive, withdrawn behavior, parents who are "super critical" and families that are extremely isolated.

In the early 1960's, the first child abuse and neglect reporting statutes were enacted. Since that time, all 50 states and the District of Columbia have passed some statutory provisions for mandatory reporting of nonaccidental injury to or neglect of children.

Post and Unit Children & Youth volunteers have investigated local and state laws involving child abuse and neglect. They are finding out and disseminating information in thier communities about who should report, when they should report, why they should report, what can be reported and where they can report.

Other Programs

It doesn't take a great deal of exposure to The American Legion's total Children & Youth Program to see its many wonderful facets. Each year the National Commission on Children & Youth develops points of emphasis to serve as program guides to its many volunteers. However, the National Commission applauds the Post or Unit that goes beyond these points as they reach into other areas benefitting the children of their respective communities.

Each year as our volunteers set their annual program objectives, we encourage them to include three on-going programs of The American Legion. They are the "April Incentive Program," "Make Halloween A Safe and Fun Night" and "Temporary Financial Assistance" (TFA) programs.

Annually, The American Legion observes April as Children & Youth Month. Posts are asked to set aside April each year for a special activity to place emphasis on the Children & Youth Programs and to inform its membership, citizens and other community groups of our organization's accomplishments on behalf of young people.

The "April Incentive Program" was designed to encourage all Posts to observe April as Children & Youth Month in a special way. To encourage participation, special certificates were developed to acknowledge all levels of accomplishment. These certificates will be given at the Post, Department and Area levels in three categories based on Post membership.

This is our first year in this program; however, from the reports being received from our volunteers and the number of certificates being issued, this program should be promoted for many years to come.

Halloween is normally only a one or two-day event and yet, we find thousands of Posts and Units each year involved with promoting a safe and fun night. If the stressing of basic safety rules connected with this festive occasion has kept one child from being seriously injured, then our efforts can be considered a total success.

In 1978, 33 Departments of The American Legion and 34 Departments of the American Legion Auxiliary utilized 23,000 brochures in this program. In order to inform the community of the Legion's involvement in this activity, 586 TV slides were distributed. From all reports received, this activity should be promoted for many years to come.

Every Children & Youth worker of The American Legion should be aware of the Temporary Financial Assistance program. Basically, this program is designed so that Posts of The American Legion can call upon the National Americanism and Children & Youth Division for cash assistance to help meet the needs of veteran's children. A complete explanation of this program in the "Temporary Financial Assistance" brochure and the "Children & Youth Guide." More specific information concerning this program will be found in special tables at the end of this section.

TFA continues to be requested at approximately the same level as it has in recent years. Annually, 25 to 30 Departments or states utilize this program as a means of providing for their veterans' families. We continue to see an increase in the dollar amount of the individual grants because of inflationary factors. Over the past five years, we see the number of cases remaining relatively stable at approximately 250 per year.

You will note in Table No. 2, a listing of the expenditures of the TFA program by Department since the program was initiated in 1926. During the intervening 52 years, the National Organization has expended over $2,588,000. It is of further interest to note that all of the continental Departments and the District of Columbia have received assistance. The Temporary Financial Assistance has not been called upon frequently during the past few years even when considering the recent inflationary trend within the country. This is due in large part to the general prosperity that the nation has been enjoying as well as the increase in the number of federal programs designed to give financial assistance to our citizens.

Table No. 3 shows a comparison of the number of children aided by the TFA rogram by the war in which the veteran parent participated, i.e., World War I, World War II, Korean or Vietnam. Since 1966, the percentage of children of Vietnam Era parents assisted has been steadily increasing. During the same period, that percentage of children of the Korean veteran has remained relatively stable while the percentage of children of World War II parentage has been steadily decreasing. The offspring of the World War I veterans has practically disappeared from this program.

The Eight & Forty, a subsidiary organization of the American Legion Auxiliary, maintains a special fund to provide assistance for mothers of children of veterans who have medical and dental needs that cannot be met by the community. This program is utilized when no local resources can be found to provide the necessary treatment. Its purpose is to assist mothers who have health problems so they may provide proper care for their children. As depicted in Table No. 4, the fund was originally established in 1943. Since that time, the Eight & Forty has allocated $18,350 to maintain this program. Of this amount, a balance of $1,426 remains.

Area Conferences

Each year The American Legion conducts five Area Conferences on Children & Youth. These meetings involve volunteers from all of our 50 states. The purpose of these meetings is to bring the objections of the national program to the leadership of the Children & Youth Program in the various Departments. This past year, 1978, meetings were held at:

Midwestern Area: Midland, Michigan.
Western Area: Albuquerque, New Mexico.
Southern Area: Oklahoma City, Oklahoma.
New England Area: Chicopee, Massachusetts.
Middle Atlantic Area: Newark, New Jersey.

Average attendance will vary between 200 to 250 delegates depending on the location and the time of year. The 1978 series was certainly one of our best. The level of participation seems to increase each year. Each host listed above is worthy of high praise for the warmth and hospitality extended to those visiting their state.

Legislative Efforts

The initiation and support of worthwhile Children & Youth legislation is one of the means by which the National Children & Youth Commission has attempted to accomplish its goals during the 1977–78 program year. Practically all of the legislative goals of interest and concern to the National Commission were accomplished. Much of this activity was based on our mandates passed at the 57th National Convention held in Minneapolis, Minnesota, August 19-21, 1975. Now that we are in a new session of Congress, it is necessary for us to set new goals. At our National Convention in Denver, Colorado, August 23-25, 1977, the following mandates were introduced for our attention during this new Congress.

Sexual Abuse of Children.—Resolution No. 46 is concerned about the sexual abuse of children and the detrimental affects that it has on the child victim. This resolution will challenge local Posts and Units of The American Legion and the American Legion Auxiliary to cooperate in all ways possible to promote and increase public awareness of this problem, and to seek an evaluation of their state laws pertaining to this area and urge passage of adequate laws to protect the child victim.

Adoptive Children with Special Needs.—Resolution No. 47 recognizes the need for for the adoption of children with "special needs." These children with "special needs" include children with emotional, mental and physical disabilities and are considered unadoptable due to the high medical costs involved. To help reach this goal, this resolution recommends that the Congress of the United States enact appropriate legislation to establish a grant program to assist state agencies in subsidizing the placement of these "special needs" children.

Violence and Vandalism in the Schools.—Resolution No. 48 recognizes the need for something to be done to prevent or reduce violent acts in the schools. This can, hopefully, be achieved by the support of The American Legion to the educational community in efforts to develop a charted and effective program to reduce or prevent violent acts in the schools. The resolution also encouraged the Congress of the United States to enact legislation to establish a grant program to assist those schools in need in implementations of their established prevention programs.

National Family Week.—Resolution No. 49 asks the President of the United States and the Congress to declare the week which includes Thanksgiving Day as National Family Week. The intent of this resolution is to urge the President and the Congress to proclaim National Family Week on an annual basis.

Child Pornography.—Resolution No. 311 recognizes the need for new laws or the strengthening of existing laws against the use of children in the making of pornographic material. To help reach this goal, we are recommending that both state and federal legislation be enacted or strengthened to make penalties severe enough to eliminate the distribution and sale of materials that use children in pornographic scenes.

Seeking Prosecution of Adults Contributing to Delinquency of Our Under-Age Youth.—Resolution No. 242 recognizes the need to eliminate or put under control those operations in the community that are not conducive to the rearing of children. These include massage parlors, drive-in movies showing X-rated films and others that are detrimenttal to the well-being of the youth in the commnuity. This calls for surveillance of all such outlets for illegal sales or admissions as well as seeking the prosecution of adults who contribute to the delinquency of under-aged customers at the local level.

Above are highlights of our 1978 legislative program as offered by the National Commission on Children & Yotuh. This Commission has constantly urged its Departments of The American Legion to support Children & Youth legislation as it relates to national objectives. Local Posts are also encouraged to support city ordinances as they deal with the community's efforts to improve conditions for children and youth. Our Children & Youth legislative program is a never-ending process which we eagerly accept for the sake of all children—everywhere!

Children and Youth Expenditures

Annually, as it has for the past 53 years, the National Commission on Children & Youth collects and tabulates reports of expenditures for Children & Youth activities from the nearly 16,000 Posts of The American Legion, 14,000 Units of the American Legion Auxiliary and the hundreds of Salons of the Eight & Forty. In addition, the expenditures of Departments and of the National Organization are obtained for the 12-month period of June 1 through May 31 and combined with these reports.

This past year Posts and Departments reported expenditures of $. To this amount, we proudly add $ contributed by the American Legion Auxiliary. An additional $ was expended by the Eight & Forty, while $32,926 was given to families in need through our Temporary Financial Assistance program. To this, we finally add a record figure of $69,925 awarded through grants made by the American Legion Child Welfare Foundation. This amounts to a grand total of expenditures for Children & Youth in 1978 of $.

In summary, it is interesting to note that since 1924, The American Legion, American Legion Auxiliary and the Eight & Forty have reported expenditures in the amount of $.

Children and Youth Literature

During the 1977–78 program year, tens of thousands of pieces of Children & Youth literature were distributed by the National Americanism and Children & Youth Division as it attempted to further the objectives of the total Children and Youth Program.

As shown in Table No. 5, the most popular publications were the annual Children and Youth program publications, "Making the Pieces Fit—Accept the Challenge," "Invisible Scars," "Immunization" and "Children and Youth on the Rocks." It is of further interest to note that some 4,271 citations were distributed to Departments in order to recognize Posts for their contributions to the overall Children and Youth Program.

Appreciation Acknowledged

Your National Commission on Children & Youth and its Chairman welcome this opportunity to express their appreciation and commendation to the many members of The American Legion and the American Legion Auxiliary who gave generously of their time, energy and personal funds to further the Children & Youth Program this year. It has been an eventful year that would not have been possible without the cooperation and dedication of thee thousands of volunteers. A special thanks to Commander Robert Charles Smith for his support and encouragment of our program. Likewise, to National Adjutant Frank C. Momsen, we extend our heartfelt thanks for his continued cooperation and understanding. The members of the American Legion Auxilitary deserve a special praise for their wholehearted cooperation and assistance. On behalf of our program and its objectives, to the members of the Eight & Forty who do such a tremendous job with their special assignment of assistance to children with respiratory disorders, we extend our appreciation.

TABLE 2.—EXPENDITURES FROM NATIONAL TEMPORARY FINANCIAL AID FUNDS TO DEPARTMENT ACCORDING TO YEARS

	1926–35	1936–45	1946–55	1956–65	1966–70	1971–77[1]	Last 7 mo 1977	1st 5 mo 1978	Grand total
Alabama	$15,281.65	$13,899.68	$27,466.26	$23,700.80	$10,459.00	$17,047.06	$5,299.48	$2,582.00	$115,735.93
Alaska			627.56	1,000.00	350.00				1,977.56
Arizona	17,587.40	8,474.30	5,094.00	3,658.00		250.00			35,063.70
Arkansas	9,845.20	24,028.00	20,999.22	4,963.00		300.00			60,135.42
California	25,558.18	4,547.97	13,231.40	2,795.05	200.00	600.00			46,932.60
Colorado	26,956.23	14,664.88	17,360.78	5,257.33	470.00	300.00			65,009.22
Connecticut	160.00	1,694.00	350.00	90.00		450.00			2,744.00
Delaware	1,025.00	1,010.00	825.00	175.00		475.00			3,510.00
District of Columbia	1,790.00	780.00	983.50	220.00					3,773.50
Florida	16,607.28	16,734.00	24,207.50	1,313.00		225.00			59,086.78
Georgia	14,839.50	55,054.57	51,448.42	34,596.00	2,800.00	965.00			159,703.49
Hawaii	450.00	420.00							870.00
Idaho	3,641.00	3,952.50	2,721.00	3,050.85	2,621.97	2,150.42			18,137.74
Illinois	11,943.25	18,277.54	3,211.53	1,132.00	581.13	1,319.50			36,464.95
Indiana	24,906.08	6,944.00	4,213.40	4,853.00	190.00	550.00			41,656.48
Iowa	15,833.58	1,659.50	407.00	190.00		773.45		1,250.00	20,113.53
Kansas	9,552.50	11,214.30	31,565.87	10,498.48	3,773.00	1,000.00			67,604.15
Kentucky	13,922.00	9,921.50	15,488.90	30,039.00	14,645.66	15,765.00	1,315.00	3,300.00	104,397.06
Louisiana	12,554.00	10,846.50	24,376.30	14,078.00	100.00	2,098.00	60.00	187.00	64,299.80
Maine	2,564.94	1,054.00	889.90	1,020.36		550.00	200.00	115.20	6,394.40
Maryland	3,862.00	2,025.00	2,430.57	960.00	108.00	600.00			9,985.57
Massachusetts	2,064.50	690.00	455.00			150.00			3,359.50
Michigan	12,709.48	11,185.85	20,653.85	12,627.39	5,833.36	3,746.86	75.00	656.60	67,488.39
Minnesota	6,516.00	2,094.77	14,908.19	8,414.60	533.00	2,689.23		1,726.78	36,882.57
Mississippi	16,509.00	23,784.63	30,843.14	32,411.00	23,882.00	24,206.57	2,180.00	2,445.00	156,261.34
Missouri	18,047.08	35,026.00	33,824.64	13,975.00	4,431.00	2,405.00			107,708.72

Montana	5,099.25	315.00	744.50	924.35	150.00	200.00			7,433.10
Nebraska	14,091.20	4,378.90	7,479.25	10,316.43	8,333.14	4,432.92	1,850.00	350.00	51,231.84
Nevada	390.00	195.00	566.00	200.00		3,872.00	500.00		5,723.00
New Hampshire	2,562.00	1,688.50	4,791.50	150.00					9,192.00
New Jersey	7,163.68	1,831.85	1,701.00	245.00	600.00	425.00			11,966.53
New Mexico	11,473.72	8,600.58	25,665.74	27,433.00	15,569.00	4,355.00	400.00	1,218.07	94,715.11
New York	4,547.97	3,339.57	3,411.00	1,392.00	300.00			250.00	13,240.54
North Carolina	12,230.50	34,367.00	52,708.00	28,311.60	2,855.00	1,650.00			132,122.10
North Dakota	13,204.37	12,813.08	8,138.21	3,650.00	1,100.00	1,721.32			40,626.98
Ohio	16,220.00	7,710.43	3,360.50	1,755.75	1,210.00	1,415.00	275.00		31,946.68
Oklahoma	24,955.05	15,503.00	26,118.77	39,287.70	26,091.00	23,746.50	1,025.00	650.00	157,377.02
Oregon	855.00	395.50	6,190.65	7,559.50	934.00	2,439.00	247.26		18,620.91
Panama	105.00	570.00	234.00	300.00					1,209.00
Pennsylvania	19,239.41	3,608.00	434.00	217.00	135.00	1,051.25	183.40	166.20	25,034.26
Puerto Rico	5,671.00	11,386.00	27,210.00	30,544.00	30,680.00	17,554.50	75.00	285.00	123,405.50
Rhode Island	1,277.00	285.00	1,641.00		760.00				3,963.00
South Carolina	29,589.20	38,863.85	16,780.54	9,912.80	1,780.00	2,068.00	250.00	241.00	99,485.39
South Dakota	19,555.89	22,874.38	13,405.05	2,957.00					58,792.32
Tennessee	12,211.52	18,933.25	29,403.20	25,210.00	2,980.00	4,511.30	1,294.00	300.00	94,843.27
Texas	11,239.50	24,134.00	31,879.35	15,513.08	5,290.00	8,513.50	500.00	450.00	97,519.43
Utah	3,435.00	7,690.48	3,248.00						14,373.48
Vermont	1,559.50	265.00	9,026.50	225.00					11,076.00
Virginia	19,219.86	26,090.45	26,449.78	1,588.00	3,618.00	9,773.00	600.00	275.00	87,614.09
Washington	3,033.00	345.00	427.50			200.00			4,005.50
West Virginia	20,276.98	7,353.00	5,801.00	5,594.94	450.00	435.00			39,910.92
Wisconsin	9,561.68	6,320.30	2,542.00	5,525.25	1,776.00	340.00		150.00	26,215.23
Wyoming	6,885.00	1,295.00	793.00	1,200.00		900.00			11,073.00
Other departments	200.00	360.00	173.50						733.50
Total	[2] 580,087.34	541,495.61	658,906.47	431,030.26	175,589.26	168,219.38	16,329.14	16,507.85	2,588,255.31

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[1] Includes 1st 5 mo of 1977.

[2] Includes $19,509.21 for the year 1926, department totals not available.

TABLE NO. 3.—COMPARISON OF NUMBER OF CHILDREN OF WW II, KOREAN, VIETNAM AND WORLD WAR I VETERANS RECEIVING AID FROM NATIONAL CHILDREN & YOUTH DIVISION

	WW II children		Korean children		Vietnam children		WW I children	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
June 1, 1977 to May 31, 1978	198	30.33	215	32.92	240	36.75	0	.00
June 1, 1976 to May 31, 1977	216	38.90	140	24.82	208	36.88	0	.00
June 1, 1975 to May 31, 1976	177	29.70	233	39.09	186	31.21	3	.57
June 1, 1974 to May 31, 1975	189	36.00	208	39.62	28	41.52	0	.00
June 1, 1973 to May 31, 1974	248	36.69	334	49.41	94	13.90	0	.00
June 1, 1972 to May 31, 1973	204	43.59	150	32.05	114	24.36	1	.13
June 1, 1971 to May 31, 1972	360	46.15	309	39.62	110	14.10	0	.00
June 1, 1969 to May 31, 1970	749	53.32	417	30.00	82	7.68	4	.34
June 1, 1968 to May 31, 1969	706	61.49	414	32.99	51	4.18	3	.27
June 1, 1967 to May 31, 1968	875	61.66	390	34.06	46	4.01	4	.29
June 1, 1966 to May 31, 1967	1,024	64.02	463	33.86	25	1.83	0	.00
June 1, 1965 to May 31, 1966	1,147	72.86	384	27.06	11	.08	1	.07
June 1, 1964 to May 31, 1965	1,091	82.11	249	17.82	...	...	2	.15
June 1, 1963 to May 31, 1964	1,099	79.86	273	19.90	...	...	1	.07
June 1, 1962 to May 31, 1963	1,077	78.73	296	21.20	...	...	8	.61
June 1, 1961 to May 31, 1962	1,239	82.47	221	16.92	...	...	10	.62
June 1, 1960 to May 31, 1961	1,716	83.59	251	15.79	...	...	15	.74
June 1, 1959 to May 31, 1960	2,536	84.99	288	14.27	...	...	53	1.78
June 1, 1958 to May 31, 1959	1,588	85.16	309	13.06	...	...	47	2.47
June 1, 1957 to May 31, 1958	2,050	86.78	195	10.65	...	...	39	1.70
June 1, 1956 to May 31, 1957	1,713	89.32	206	9.98	...	...	47	2.47
June 1, 1955 to May 31, 1956	1,579	90.06	142	7.47	...	...	118	6.40
June 1, 1954 to May 31, 1955	2,098	85.68	146	7.92	...	...	250	10.05
May 1, 1953 to May 31, 1954	2,519	84.32	140	5.63	...	...	238	8.22
May 1, 1952 to May 31, 1953	2,050	87.12	135	4.66	...	...	341	14.03
May 1, 1951 to Apr. 30, 1952	1,481	84.36	39	1.61	...	...	290	16.33
May 1, 1950 to Apr. 30, 1951	1,506	83.39	5	.28	...	...	265	14.96
July 1, 1949 to Apr. 30, 1950	1,584	85.04	...	...	...	...	435	21.55
July 1, 1948 to June 30, 1949	1,796	78.45	...	...	...	...	665	27.02
July 1, 1947 to June 30, 1948	1,218	72.98	...	...	...	...	1,090	47.23
July 1, 1946 to June 30, 1947	785	52.77	...	...	...	...	1,006	56.17
Prior to July 1, 1946	590	43.83	...	...	...	...	...	...

TABLE NO. 4.—*National Eight and Forty Fund for Mothers of Children of Veterans of World War II, Korean and Vietnam Wars and World War I*

Allocated in 1943	$1,000.00
Allocated in 1946	500.00
Allocated in 1948	1,500.00
Allocated in 1949	1,500.00
Allocated in 1949 for 1950	500.00
Allocated in 1951 for 1952	2,000.00
Allocated in 1952 for 1953	3,000.00
Allocated in 1953 for 1954	500.00
Allocated in 1954 for 1955	500.00
Allocated in 1955 for 1956	500.00
Allocated in 1956 for 1957	750.00
No allocations in 1957 for 1958	--------
Allocated in 1958 for 1959	1,000.00
Allocated in 1959 for 1960	1,000.00
Allocated in 1960 for 1961	1,000.00
No allocations in 1961 for 1962	--------
No allocations in 1962 for 1963	--------
No allocations in 1963 for 1964	--------
Allocated in 1964 for 1965	250.00
Allocated in 1965 for 1966	250.00
Allocated in 1966 for 1967	250.00
Allocated in 1967 for 1968	250.00
Allocated in 1968 for 1969	100.00
Total	18,350.00
Grand total expended from 1944 to May 31, 1978	16,923.85
Balance unexpended June 1, 1978	1,426.15

TABLE No. 5.—*Printed Material Furnished Upon Request During Period June 1, 1977 through May 31, 1978*

April is Children & Youth Month	27, 647
Children & Youth Guide	28, 959
Children and Youth on the Rocks	33, 620
Concerning Day Care	2, 245
Decades of Service	28, 185
Every Penny Counts	18, 243
Home Safety Awareness	2, 265
Immunization	32, 683
Invisible Scars	36, 783
Make Halloween A Safe and Fun Night	27, 778
Making the Pieces Fit—Accept the Challenge	35, 337
Status Offenses	24, 735
TFA Applications	1, 516
TFA Brochures	29, 933
Youth Service Bureau	9, 495
Citations:	
Annual Children & Youth Citation	3, 945
Certificate of Meritorious Service	24
National Achievement Award	56
Special Children & Youth Citation	246
News Release for Annual Citation	3, 945
News Release for Special Citation	246
Reporting:	
Post Narrative Report Form	22, 000
Tally Sheet	617
Unit Report Form	8, 348
We Want A Report from Your Unit or Salon	5, 685
Total	384, 536

AMERICAN LEGION CHILD WELFARE FOUNDATION, INC.

L. ELDON JAMES, Virginia, *President*

ROBERT H. PATTY, Indiana, *Executive Secretary*

Starting with a zero balance in 1954, the year of the Foundation's incorporation, there has been over $900,000 contributed on behalf of the children and youth of this country. During the same period, the Foundation has awarded $686,286 in grants to tax-exempt, non-profit organizations. These grants were given in an attempt to accomplish the Foundation's two purposes for existing (1) to add to the sum total of man's knowledge about children and youth through research and study; (2) to help distribute information society already possesses about children to the end that such information is more adequately used.

At its April 30, 1978 meeting, the Board of Directors authorized grants totalling $69,925 for the 1978 granting-year. These grants were given for the following purposes:

A grant of $14,400 was awarded to the National Cystic Fibrosis Foundation, Atlanta, Georgia, to produce educational materials for the public schools on cystic fibrosis.

The University of Minnesota was awarded $4,725 for a workshop to train foster parents and social workers working with children in placement.

The Institute for Human Resources and Services, Wilkes-Barre, Pennsylvania, received $10,000 to develop a training program for parents and teachers who are in contact with potential juvenile delinquents.

The Pre-Schooler's Workshop in Syosset, New York, was awarded a grant of $10,000 to prepare a film on classroom violence.

A grant of $800 was added to $1,600 presently being held in a special fund to provide expense grants for police officers to attend the Delinquency Control Institute of the University of Southern California. This amount will allow for four expense grants of $600 each.

The National Society for the Prevention of Blindness, New York, New York, was granted $10,000 to produce a film and other materials an eye care and eye safety for fifth and sixth graders.

A grant of $10,000 was awarded to the National Council on Crime and Delinquency, Hackensack, New Jersey, to produce a slide/tape presentation on equal justice for all juvenile offenders,

The National Council for Homemaker-Home Health Aide Services, New York, New York, was awarded $10,000 to publish and distribute a book on in-home services for handicapped children.

Officers of the Board and other Members are: L. Eldon James (VA), President; W. D. Griffin (TN), Vice President; Earl D. Franklin, Jr. (CO), Secretary; U. S. "Udie" Grant (KS), Treasurer and Members of the Corporation also include: Robert Gish (WY); Michael Kogutek (NY); W. D. Harrell (GA); A. G. Hays (MO) and James P. Holley (TX).

Members of the American Legion Auxiliary Liaison Committee include: Mrs. A. J. (Gen) Ryan, Chairman, Mrs. Henry Ahnemiller (Petie), Vice Chairman and Mrs. Harold S. (Betty) Burdett.

Appointed personnel consists of: Robert H. Patty, Executive Secretary, Webber LaGrange, Treasurer and W. Francis Polen, Assistant Treasurer Emeritus.

The Board of Directors wishes to recognize a contribution made by Billy B. Hester of Houston, Texas, a deceased member who met with an unfortunate accident during the past year.

Under the 1969 Tax Reform Act, the Foundation retains its tax-exempt status. Gifts, therefore, are deductible for federal income tax purposes to the extent permitted by law and bequests to the Foundation are deductible for federal inheritance tax purposes to the extent permitted by the Federal Tax Act.

Memorial gifts at the death of a friend continue to be a popular form of contribution. A memorial card is immediately sent to the next of kin so the bereaved may know of the thoughtfulness of the contributor. In this way, your contribution serves a dual purpose—it memorializes a friend and it also contributes toward a better life for our Nation's children.

EXHIBIT A

THE AMERICAN LEGION CHILD WELFARE FOUNDATION, INC.—STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

	Year ended Dec. 31—	
	1977	1976
Cash balance, beginning of year	$2, 682. 47	$3, 874. 94
Receipts:		
Contributions:		
Restricted: Eight and Forty Research Fund—note 1	5, 738. 41	3, 839. 85
Unrestricted:		
Memorial fund	14, 658. 21	9, 490. 87
Grant—American Legion Auxiliary	10, 000. 00	10, 000. 00
Other	17, 556. 24	12, 699. 24
Total unrestricted	42, 214. 45	32, 190. 11
Bequests—unrestricted	35, 353. 33	
Investments matured and sold—at cost	104, 262. 27	196, 064. 17
Earnings from investments:		
Interest	10, 247. 45	10, 373. 98
Dividends	5, 701. 75	4, 618. 69
Gain (loss) on sale of securities	(5, 226. 74)	918. 56
Miscellaneous	54. 24	
Total earnings from investments	10, 776. 70	15, 911. 23
Total receipts	198, 345. 16	248, 005. 36
Grand total	201, 027. 63	251, 880. 30
Disbursements:		
Grants paid	48, 122. 29	23, 373. 00
Investments purchased	147, 643. 50	223, 635. 48
Expenses:		
Auditing	1, 150. 00	550. 00
Trustee's fee	1, 190. 00	1, 055. 00
Printing, supplies and sundry	1, 031. 01	584. 35
Total expenses	3, 371. 01	2, 189. 35
Total disbursements	199, 137. 50	249, 197. 83
Cash balance, end of year—exhibit B	1, 890. 13	2, 682. 47

See accompanying note to financial statements.

EXHIBIT B

THE AMERICAN LEGION CHILD WELFARE FOUNDATION, INC.—STATEMENT OF ASSETS AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

	Dec. 31—	
	1977	1976
ASSETS		
Cash on deposit—Exhibit A:		
General account	$1,221.82	$1,809.39
Trust account	668.31	873.08
Total	1,890.13	2,682.47
Investments—(market value $348,417 in 1977, $312,386 in 1976)—note 1:		
Certificates of deposit	104,500.00	67,000.00
U.S. Treasury notes		14,982.45
Federal Home Loan Bank bond	44,794.40	24,819.40
Federal National Mortgage Association debenture	10,050.00	10,050.00
Corporate notes	59,000.00	36,000.00
Common stocks	126,294.79	148,406.11
Total	344,639.19	301,257.96
Investments—other: Mineral rights deeds	36.00	36.00
Total	346,565.32	303,976.43
FUND BALANCES		
Fund balances—Exhibit C:		
Restricted:		
Grants unpaid	28,237.00	22,864.00
Eight and Forty Research Fund—note 1	12,228.07	21,489.66
Unrestricted: Gifts, contributions, bequests and accumulated income	306,100.25	259,622.77
Total	346,565.32	303,976.43

See accompanying note to financial statements.

EXHIBIT C

THE AMERICAN LEGION CHILD WELFARE FOUNDATION, INC. STATEMENT OF CHANGES IN FUND BALANCES

	Restricted funds		
	Grants unpaid	Eight and Forty research	Unrestricted funds
Fund balances, Jan. 1, 1976	$12,173.00	$17,649.81	$247,774.78
Additions:			
Contributions received		3,830.95	32,190.11
Income			15,911.23
Total		3,839.86	48,101.34
Reductions:			
Grants awarded	(34,064.00)		34,064.00
Grants paid	23,373.00		
Expenses			2,189.35
Total	(10,691.00)		36,253.35
Fund, balances, Dec. 31, 1976—Exhibit B	22,864.00	21,489.66	259,622.77
Additions:			
Contributions received		5,738.41	42,214.45
Income			10,776.70
Bequests received			35,353.33
Total		5,738.41	88,344.48
Reductions:			
Grants awarded	(53,849.00)	15,000.00	38,849.00
Grants paid	48,122.99		
Grants cancelled	353.01		(353.01)
Expenses			3,371.01
Total	(5,373.00)	15,000.00	41,867.00
Fund balances, Dec. 31, 1977—Exhibit B	28,237.00	12,228.07	306,100.25

See accompanying note to financial statements.

Note 1—Significant Accounting Policies: The Internal Revenue Service has ruled that the Foundation is exempt from the payment of Federal income tax (except tax on unrelated income) under the provisions of section 501 of the 1954 Internal Revenue Code as a corporation organized and operated exclusively for charitable purposes. Investments of the Foundation are stated at cost if purchased or at market value at date of receipt if acquired by gift. Grants awarded to qualified recipients are recorded in the year they are approved by the Board of Directors. Contributions received for the Eight and Forty Research Fund are restricted for grants related to cystic fibrosis or other upper respiratory diseases.

Convention Commission

Lawrence E. Hoffman, Florida, *Chairman*

William H. Miller, Oregon, *Director*

The annual convention of the American Legion marks the end of one year of programs and activities and signals the start of a new year in the same direction. In one sense, it is the culmination of all activities of the various commissions and committees of the organization and a time for final reports and an evaluation of the progress that has been made. At the same time, resolutions and motions are presented to the delegates for discussion and approval, which will determine the course of The American Legion during the start of the ensuing year. Over a period of seven days, these activities are complimented with social functions and the pomp and color of musical units, drill teams and contests among units and participants from almost every state in the United States. Following these demonstrations on drill fields and stadiums, the participants, together with representatives from the thousands of American Legion posts, districts and departments stage a huge parade featuring the flag of the United States and floats, drum and bugle corps and bands. Youthful entries are encouraged and substantial prizes are awarded. Finally, on the last day of the convention, new officers are elected and appointed to lead the organization for the ensuing year.

Function of the Convention Commission

The primary function of the Convention Commission is to receive bids for national conventions from American Legionnaires in interested cities, investigate and inspect the facilities offered, recommend a particular city for future conventions and supervise the planning and actual operation of the convention itself. The Contests Supervisory Committee and the Distinguished Guests Committee are attached to the Convention Commission and are under its supervision.

The Convention Commission has prepared and continues to update a booklet containing the requirements for a city desiring to host a convention. Using this pamphlet as a guide, responsible Legionnaires appear before the Commission and invite The American Legion to stage a convention in their city. After investigation and inspection, if it appears that the city in question meets all requirements and can supply the necessary facilities, personnel and finances, a tentative award for a future convention on specific dates is recommended.

Every effort is exerted for the tentative awards to be made five years in advance of the convention year in order to afford that city ample time within which to prepare for the event. This also permits the Commission further opportunity to make periodic inspections in order to evaluate housing facilities, proposed meeting and contest sites and financial responsibility. Thereupon, the sponsoring American Legion group is advised to organize a convention corporation, obtain contracts from hotels, convention hall, stadium and other sites, and be prepared to sign a contract for the convention during the May meeting of the Commission during the year prior to the convention date.

The 60th American Legion Convention

The Commission recommended New Orleans, Louisiana as the site for the 60th annual convention on the dates of August 18 to 24, 1978. This is the third time in American Legion history that the Crescent City has been selected as host city for the convention, the last time being ten years ago for the 50th convention.

More than twenty-five thousand American Legionnaires and their families will return to New Orleans for the making of policy by our members, comprised of honorably discharged veterans of World War I and II, Korea and Vietnam. The organization's efforts for the coming year in the fields of legislative affairs, veterans affairs and rehabilitation, national security, children and youth, Americanism, economics and foreign relations will be based upon resolutions adopted by the delegates at the convention.

Commissions and committees will be in session from August 18 through the 20th. During these days preliminary competition for uniformed groups, drum and bugle corps, color guards, firing squads, bands and singing groups also will be conducted. The final competition for all uniformed groups will take place on Sunday night, August 20 at the Musical Spectacular scheduled at the famous Louisiana Superdome.

Monday, August 21 will be parade day along famous Canal Street. It is expected to last approximately five hours and will feature delegations from each of the fifty states, the seven foreign and outlying departments of the Legion, bands, floats and all of the uniformed groups with their bands, drum and bugle corps, firing squads, drill teams, color guards and choral groups.

The formal business sessions are scheduled for Tuesday, August 22 through Thursday, August 24 at the new Rivergate Exhibition Center. In addition to taking action on approximately 500 resolutions from commissions and committees, the delegates and guests will hear addresses by many distinguished speakers including national leaders in the military, political, educational and labor arenas. Awards will be made including the prestigious Distinguished Medal honoring the work of an individual for mankind, and the Fourth Estate Awards for excellence in the field of journalism.

Special reports by renowned leaders will be made to the security and economic commissions and to others.

On the social side, delegates may participate in the annual golf tournament, attend a Past Department Commanders Luncheon while floating down the Mississippi River on the "S.S. President", visit any number of parties, dances, receptions and luncheons sponsored by the various Departments of the Legion as well as reunions and get-togethers. The largest of these functions will be the National Commander's Banquet to distinguished guests where entertainment will be supplied by the famous Pete Fountain.

The American Legion Auxiliary and the Sons of the American Legion will be meeting at the same time.

Future Conventions

Following the present meeting in New Orleans, Louisiana, the next convention of The American Legion will be staged in Houston, Texas in August, 1979. That city has had experience in handling conventions and has developed an expertise that ensures another successful conclave. The attractions in Houston, one of the fastest growing cities in the Nation, should bring about a large and enthusiastic attendance.

For the year 1980, a presidential election year, the Commission had recommended that a tentative award for a convention be made to Washington, D.C., in the hopes that the east coast of our country might provide a geographic distribution of locations. However, certain difficulties encountered in that city caused it to withdraw its invitation and a change was made to another east coast city. At the present time, the schedule of future conventions is as follows:

1979—Houston, Texas
1980—Boston, Massachusetts
1981—Honolulu, Hawaii
1982—Chicago, Illinois

A number of other cities have extended open invitations for conventions and additional recommendations will be made in the near future by the Commission. The cities presently in contention are: Salt Lake City, Utah; Portland, Oregon; Detroit, Michigan; Cincinnati, Ohio; Seattle, Washington; Los Angeles, California; San Diego, California; Atlanta, Georgia; and Miami Beach, Florida.

DISTINGUISHED GUESTS COMMITTEE

MAURICE E. DRUHL, Oregon, *Chairman*

The Distinguished Guests Committee has the responsibility, during the National Convention, to coordinate the activities of all those invited to attend as a Distinguished Guest.

Our primary concern is the transportation, housing and welfare of those who have indicated they will attend. Ideologically, we arrange for their transportation on arrival, register them as previously arranged and provide transportation to the various convention events they desire or are scheduled to attend.

We maintain a hospitality room for their convenience and for the use of their aides or other guests. These arrangements are normally open during the entire convention and usually at the headquarters hotel, but may include the site of the convention and other areas when time and local Legionnaire participation is available.

Proper credentials, agendas, itineraries are all part of this operation and special requests from Distinguished Guests are honored if at all possible.

The Committee's success depends almost entirely on the participation of convention city Legionnaires who provide experienced leadership and conscientious participation by aides, drivers and others to make our guests feel comfortable and at ease during their stay in the convention city.

CONTESTS SUPERVISORY COMMITTEE

BRUCE L. PLUMB, Oregon, Chairman

MARK J. MANOLIS, Indiana, Contests Liaison

The National Contests Supervisory Committee, a subcommittee of The American Legion Convention Commission, met twice in formal session during the 1977–78 year. The 1977 musical groups' competition was held in Denver, Colorado, the site of the 59th American Legion National Convention. The following is a breakdown of units who actually competed:

Type of unit	Number of units	Average persons
Junior Drum Corps	34	90
Senior Drum Corps	2	70
Junior Color Guard	6	10
Senior Color Guard	13	6
Junior Drill Team	4	15
Senior Drill Team	3	6
Junior Band	5	90
Senior Band	3	70
Chorus	3	30

The total number of people involved in marching and musical competition at the 59th annual National Convention was approximately 4,166.

The American Legion National competition for 1978 will be held at New Orleans, Lousiana, site of the 60th American Legion National Convention. Thirteen junior drum corps are officially entered for the contests in New Orleans. Thirty-nine units are entered officially (senior drum corps, junior drill team, chorus, etc.).

The Contests Supervisory Committee and The American Legion congratulate the contestants involved in these contests for making a major contribution to a national patriotic activity.

ECONOMIC COMMISSION

The following report covers the programs, activities and accomplishments of the Economic Commission, its affiliated Committees, and the staff for the period from July 1, 1977 and ending June 30, 1978.

A total of forty-three resolutions pertaining to the Economic Program have been assigned or referred to the Economic Commission since our last annual report. An analysis of these resolutions as to source and type is set forth below:

Twelve resolutions approved from the 1977 National Convention;

Six resolutions approved from the National Executive Committee meeting, October 5–6, 1977;

Six resolutions approved from the National Executive Committee meeting May 3–4, 1978;

Nine resolutions referred from the 1977 National Convention;

Two resolutions referred from the National Executive Committee meeting, October 6–7, 1976, and May 4–5, 1977 (one each); and

Six register resolutions referred by the National Adjutant.

Action on each resolution, as of June 30, 1978, is set forth below, commencing with those approved by the 1977 National Convention and National Executive Committee meetings, followed by those referred by the 1977 National Convention, the National Executive Committee, and register resolutions referred by the National Adjutant's office.

Approved 1977 National Convention Resolutions

Resolution No. 85.—Urges that Congress adequately fund employment services to veterans, and that there should be accountability for the use of such funds to reflect accurately those amounts used by State Employment Agencies and local officies to serve veterans employment and training needs.

The Director for Economics testified on April 13, 1978 before a Subcommittee on Labor-Health, Education and Welfare of the House of Representatives Committee on Appropriations. On March 9, 1978, this resolution was brought to the attention of the Subcommittee on Labor and Health, Education and Welfare of Senate Committee on Appropriations. According to a letter received from Roland R. Mora, then-Deputy Assistant Secretary of Labor for Veterans Employment, the Department of Labor believes that each state is in the best position to assess the level of funds necessary to meet employment needs of veterans, and that services provided are reflected in ESARS workload and productivity statistics.

Resolution No. 129.—Seeks legislation to remove restrictions against the receipt of unemployment compensation concurrently with military retired pay when the unemployment compensation is based upon wage credits earned after retirement from the military service.

It has not been possible to introduce legislation to fulfill the intent of this resolution into Congress to date.

Resolution No. 182.—Seeks either legislation or an Executive Order to provide for veterans' preference requirements in all contracts issued to state and local governments under the Comprehensive Employment and Training Act (CETA).

This was included in testimony of March 23, 1978 before the Subcommittee on Employment, Poverty and Migratory Labor of Senate Committee on Human Resources, and on the same day to the Subcommittee on Employment Opportunities of the House Committee on Education-Labor, with specific recommendations on changes in legislation to extend CETA authorization and consolidate existing CETA legislation to achieve this purpose.

Resolution No. 220.—Reaffirms the Legion's traditional support of veterans preference in federal employment and oppositions to any attempts to weaken or erode this preference.

There has been much action on this resolution because of the legislation introduced to reduce veterans preference in federal employment as part of the Administration's reorganization of the federal civil service system. Al Keller, Jr., Chairman, Economic Commission, testified on October 5, 1977 before the Subcommittee on Civil Service of the House Committee on Post Office and Civil Service, which was holding oversight hearings on veterans preference, and again on April 12, 1978 before the same subcommittee on HR 11280 the Civil Service Reform bill which contained a specific purposal to modify veterans preference. The Director for Economics testified on April 6, 1978 before a Subcommittee on Education and Training of the House Committee on Veterans Affairs which was holding hearings on extending veterans readjustment appointments, and again on April 10, 1978 before the Senate Committee on Governmental Affairs on S. 2640 the Civil Service Reform legislation. National Commander Robert Charles Smith in a letter of January 9, 1978 to Department Commanders and Adjutants, pointed out that this attack on veterans preference at the National level can affect preference extended by states, counties and cities to veterans, and the January 1978 issue of The American Legion Magazine carried a message on veterans preference from the National Commander.

Material on veterans preference has been furnished to individual members of Congressional committees, the National Legislative Council has contacted Congressmen, individual Legionnaires have been urged through notices from the Economic Commission and Legion news services to inform their Congressmen of public sentiment on this issue, newspapers have been furished with corrective material to counteract inaccurate and distorted information from the Administration on veterans preference, a brochure on veterans preference has been prepared, with the cooperation of Public Relations and Internal Affairs, on veterans preference for public distribution, and many other efforts are going on to counteract the drive of the Administration to seriously modify veterans preference in federal employment. For additional information on this resolution see the Veterans Preference Committee report.

Resolution No. 259.—Seeks to have individual Legionnaires volunteer to serve on Planning Committees for prime sponsors under the Comprehensive Employment and Training Act (CETA) in order that there will be a commitment to serve on the employment needs of veterans in Employment Programs under this Act.

On November 4, 1977 National Commander Robert Charles Smith wrote to Department Adjutants, Commanders and others urging them to take the action urged by this resolution.

Resolution No. 292.—Urges full support by The American Legion of the United States Savings Bond Program.

National Commander Robert Charles Smith wrote on October 20, 1977 to the Department Adjutants notifying them of the mailing which was subsequently sent to all Post Commanders on support of United States Savings Bonds. The Assistant Director serves on the Steering Committee of the National Organization of the Committee of the United States Bond Programs to promote this program.

Resolution No. 295.—Calls for support of the National and Department "Jobs for Veterans" Program and then a part of this program would be support of the President's three point employment program for veterans—Disabled Veterans Outreach Program (DVOP) Help through Industrial Retraining Employment (HIRE) and 35 percent veteran participation in programs under the Comprehensive Employment and Training Act.

This resolution is being handled administratively. On October 17, 1977 the letter over the signature of the National Commander went out to Department Commanders, Adjutants, Employment Chairmen and others on the "Jobs for Veterans" and the President's employment program for veterans. Various departments have reported to the Economic Commission on their activities to promote these programs.

Resolution No. 315.—Seeks to have the position of Deputy Assistant Secretary of Labor for Veterans Employment placed at a salary level at least equal to any other Deputy Assistant Secretary position in the United States Department of Labor.

This resolution required only administration action. The Department of Labor advised The American Legion on February 2, 1978 that they felt the new position should be at the GS 17 level and reporting directly to the Assistant Secretary for Employment and Training.

Resolution No. 369.—Support legislation to provide that veterans be given at least 35 percent available jobs under the Comprehensive Employment and Training Act and other Federally funded employment programs.

This resolution was included in The American Legion testimony of March 23, 1978, S. 2570 before a Subcommittee on Employment, Poverty and Migratory labor of the Senate Committee on Human Resources and the Subcommittee on Employment Opportunities of the House Committee on Education and Labor on H.R. 11086.

Resolution No. 418.—Seeks adequate funding and responsibility for enforcement of the law requiring that Federal Contractors must list their jobs with the State Employment Service Offices with the office of Federal Contract Compliance.

This resolution has been handled administratively. Comments were made on a study of the Federal Contracts Compliant Program. OFCCP is conducting compliance reviews of Federal Contractors to insure they are familiar with the requirements of the law and have satisfactory affirmative action programs for hiring eligible veterans. The OFCCP has also responded to individual reports of noncompliance submitted by The American Legion.

Resolution No. 434.—Seeks Department of Labor implementation of those laws on assignment of local veterans employment representatives.

This resolution is being handled administratively. The Labor Department advises that directives have been issued to state agencies regarding assignment of local VER and their VES state Directors are carefully monitoring the program.

Resolution No. 468.—Seeks legislation to deny Veterans' Preference in Federal employment to Vietnam era veterans who would qualify for such preference under the Special Discharge Review Program.

This resolution is being handled administratively. The Civil Service Commission informed the Economic Commission that such a provision would be considered relative to possible changes in the Veterans' Preference Act.

Approved National Executive Committee Resolutions

Resolution No. 1—NEC, October 1977.—Seeks legislation to amend the Comprehensive Employment and Training Act to redefine that portion of the definition of veterans to read "was discharged, separated, or released therefrom with an honorable discharge or general discharge under honorable conditions."

No legislation has been introduced to implement this resolution to date, but the matter has been brought to the attention of the Legislative division.

Resolution No. 2—NEC, October 1977.—Seeks legislation to require that agencies of State and local governments who have Federal Contractors of $10,000 or more shall be subjected to all provisions of the affirmative action and mandatory job listings requirements of other Federal Contractors.

This resolution has been satisfied by Federal Regulations (Sec. 60–250.4).

Resolution No. 3—NEC, October 1977.—Urges the Department of Labor to improve the Employment Security Automated Reporting System (ESARS) in five specific ways as set forth in the resolution.

This resolution is being implemented administratively and the Department of Labor has responded on the way it is trying to improve ESARS.

Resolution No. 4—NEC, October 1977.—Ask for a special emphasis on the Disabled Veterans Outreach Program (DVOP), especially for disabled women veterans.

The Labor Department was informed of this resolution and it was included in our testimony of April 13, 1978 to the Subcommittee on Labor, Health, Education and Welfare, the House Committee on Appropriations. The Department of Labor sent a program letter to State agencies and State VES Directors urging a file search of all eligible disabled veterans, both male and female, and cited the commitment of both The American Legion and the Department of Labor to such emphasis.

Resolution No. 5—NEC, October 1977.—Sets forth the Economic Program of The American Legion.

This resolution is being carried out administratively.

Resolution No. 6—NEC, October 1977.—Seeks legislation to increase the maximum guaranty on VA guaranteed and insured home loans and the limitation on direct loans.

On February 21, 1978 testimony was submitted to the Subcommittee on Housing, House Committee on Veterans Affairs; and again on June 23, 1978 similar testimony to the Subcommittee on Housing, Insurance and Cemeteries, Committee on Veterans Affairs, United States Senate. The statement to the Senate also requested an increase in the maximum guaranty on mobile homes and condomniums and an increase in VA grants from $25,000 to $30,000 for special adapted housing.

Resolution No. 23—NEC, May 1978.—Urges the Secretary of Labor to transfer responsibility for the reimbursable part of the Help through Industry Retraining and Employment (HIRE) programs to the State Employment Security Agencies.

This resolution was handled administratively. The Department of Labor responded on June 15, 1978 to wit: that the decision was final to transfer the HIRE reimbursable program to the prime sponsors and asked for American Legion support.

Resolution No. 24—NEC, May 1978.—Seeks legislation to require that all responsibility for certification and referral of applicants to CETA prime sponsors be centered in the state employment security agencies to insure veterans preference in Federally funded jobs.

This resolution has been referred to the Chairman of the House Committee on Education and Labor. Legislation has not been introduced to date.

Resolution No. 25—NEC, May 1978.—Urges that the Disabled Veterans Outreach Program (DVOP) be integrated into the regular program with the state employment security agencies with sufficient funding.

This resolution is being handled administratively.

Resolution No. 26—NEC, May 1978.—Opposed any legislation that would consolidate the programs provided under the Wagner-Peyser Act and the Comprehensive Employment and Training Act of 1973.

Congress has been informed of the Legion position. HR 9358 pertains to this issue, but hearings have not been scheduled.

Resolution No. 27—NEC, Spring 1978.—Reemphasizes the Legion's opposition to any and all attempts to weaken or reduce veterans rights and benefits under the Veterans' Preference Act; and opposes any and all parts of legislation before Congress concerning reorganization of the Federal personnel system which would adversely affect Veterans Preference in Federal employment.

See the report on Resolution No. 220 of 1977 National Convention regarding opposition to proposed changes in Veterans' Preference contained in the Civil Service Reform Act of 1978.

On June 15, 1978 the Director for Economics testified before the Committee on Government Operations, United States House of Representatives, on the Administration's Reorganization Plan No. 2, and opposed those provisions in the proposal that would adversely affect veterans. For further information on this resolution see report of Veterans' Preference Committee.

Resolution No. 28—NEC, May 1978.—Opposes the transfer of Veterans Employment Service of the Department of Labor to the Veterans' Administration.

The appropriate committee chairman has been informed of the position of The American Legion on this proposed legislation (H.R. 11043) and asked that this mandate be incorporated in the hearing record.

Referred 1977 Convention Resolutions

Resolution No. 144 (California).—Recommends that the Department of Labor redefine that portion of the definition of veteran that is related to the participation in programs under the Comprehensive Employment and Training Act by those veterans who had received bad conduct and undesirable discharges.

A subcommittee of the Economic Commission, meeting October 3–4, 1977 recommended that this Resolution be amended and approved. This action is approved by the NEC and it became Resolution No. 1 at the October 5–6, 1977 meeting.

Resolution No. 146 (California).—Recommends that the Department of Labor make agencies of state and local government subject to all provisions of the affirmative action and mandatory job listings requirements of Federal Contractors.

At a meeting on October 3–4, 1977 of the Subcommittee of the Economic Commission it was recommended that this resolution be approved as amended. This action was approved by the NEC and it became Res. No. 2 at its October 5–6, 1977 meeting.

Resolution No. 219 (District of Columbia).—Urges that The American Legion provide monetary assistance to the Benjamin Franklin Post, Department of the District of Columbia, which is suing the United States Postal Service to comply with the provisions of the Veterans Preference Act.

The Subcommittee of the Economic Commission when meeting October 3–4, 1977 recommended that this resolution be referred to the Finance Commission for appropriate action. This action was approved by the NEC at its October 5–6, 1977 meeting.

Resolution No. 262 (Utah).—Petitions President Carter to direct the United States Attorney General to enforce Veterans Preference.

A Subcommittee of the Economic Commission meeting October 3–4, 1977, recommended that this resolution be received and recorded as it was covered by Resolution No. 220 (1977); No. 418 (1977); No. 434 (1977); No. 38 (NEC–S–77).

Resolution No. 293 (Kentucky).—Recommends that the Department of Labor improve the Employment Security Automated Reporting System (ESARS).

A subcommittee of the Economic Commission meeting October 3–4, 1977 recommended that this resolution be amended and approved. After approval by the NEC this became Res. No. 3 at the October 5–6, 1977 NEC meeting.

Resolution No. 370 (Minnesota).—Urges the need for improved unemployment statistics to impress upon CETA prime sponsors the seriousness of veterans unemployment.

At the meeting of the Economic Subcommittee on May 1–2, 1978, it was recommended that this resolution be handled administratively. This action was approved by the NEC at its May 3–4, 1978 meeting.

Resolution No. 404 (Idaho).—Award of Civil Service employment tenure to veterans in the Contract Technician Service System.

It was recommended at a meeting of the Economic Commission Subcommittee in October 3–4, 1977 that this resolution be rejected. The NEC approved this at its October 4–5, 1977 meeting.

Resolution No. 417 (Washington).—Ask that the Department of Labor place special emphasis on the Outreach Program for disabled veterans and provide services to the needs of disabled women veterans.

It was recommended at a meeting of the Economic Commission, October 3–4, 1977, that this resolution be amended and approved. This action was approved by the NEC and it became Resolution No. 4 at its October 1977 meeting.

Resolution No. 435 (Texas).—Urges American Legion posts to work closely with local prime sponsors of CETA and refer interested veterans to the Texas Employment Commission Office.

At a meeting of the Economic Subcommittee on October 3–4, 1977 it was recommended that this resolution be referred back to the Department of Texas since it is a local matter. The NEC meeting October 5–6, 1977, approved this recommendation.

Other Resolutions Referred by the NEC and Register Resolutions

Resolution No. 29—NEC, May 1977 (Economic Commission).—Support legislation to amend the Veterans' Preference Act to exclude from eligibility for veterans' preference in Federal employment those persons receiving upgraded discharges under the Special Discharge Review Program.

This resolution had been referred by the NEC on May 4–5, 1977 to the Economic Commission for further study. Meeting October 3–4, 1977, a Subcommittee of the Economic Commission recommended that this be received and recorded as it was covered by Resolution No. 468—1977 NC. The NEC approved this action at its October 5–6, 1977 meeting.

Resolution No. 22—NEC, May 1978 (Economic Commission).—Support legislation to equalize eligibility requirement for home, condominium, and mobile home loans for veterans of the Vietnam era to conform with requirements for veterans of other wars.

Referred by the NEC on May 3–4, 1978 to the Economic Commission for further study.

Register No. 1838 (D.C. DEC).—Asks that The American Legion provide financial assistance for a class action suite concerning Veterans' Preference in the Postal Service.

This resolution was referred by the NEC at the May 4–5, 1977 meeting to the Economic Commission for further study. The meeting October 3–4, 1977 a Subcommittee of the Economic Commission recommended that this be disposed administratively because it was the same subject as Resolution No. 219–1977, National Convention which had been referred to the Finance Committee for consideration. The NEC approved this action at it's October 5–6, 1977 meeting.

Registered No. 1847 (West Virginia DEC).—Asks employers to include military service in commuting eligibility for retirement benefits.

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A Subcommittee at a Economic Commission meeting May 3–4, 1978 recommended that this be rejected. This was approved by the NEC, meeting May 4–6, 1978.

Registered No. 1851 (Pennsylvania DEC).—Urges the Civil Service Commission to enforce reduction-in-force provisions of the Veterans' Preference Act.

The Economic Subcommittee meeting May 3–4, 1978 recommended that this be disposed of administratively. The NEC concurred in this action May 5–6, 1978.

Registered No. 1861 (Utah DEC).—Seeks legislation to allow retired military personnel to receive full amount of unemployment compensation when otherwise qualified.

A Subcommittee of the Economic Commission meeting May 3–4, 1978 recommended that this resolution be rejected. The rejection was approved by the NEC meeting May 5–6, 1978.

Register No. 1862 (Utah DEC).—Condemns the practice of public agencies and programs buying foreign made products.

This resolution was referred to the Economic Commission subsequent to the May 1978 meeting.

Register No. 1672 (Delaware DEC).—Seeks legislation to give full credit toward Federal retirement to National Guard civilian technicians for all state service performed.

The Economic Commission has not met since the referral of this resolution.

Meetings of Economic Commission

Members of the Economic Commission and two affiliated committees have held four meetings during the 1977–78 year as follows.

(1) Fifty-five members of the Economic Commission and its affiliated committees met in the Denver Room Mezzanine, of the Denver Hilton Hotel, Denver, Colorado, August 19–20, 1977, preceding the 59th Annual National Convention. A report of this meeting was made to the National Executive Committee at its pre-Convention meeting August 21, 1977 and appears in the Proceedings of that meeting, page 15.

(2) A thirteen member Subcommittee of the Economic Commission met at National Headquarters, Indianapolis, Indiana on October 3–4, 1977. A report of the meeting was presented to the National Executive Committee on October 6, 1977 and commence on page 101 of the October 1977 NEC Prfoceedings.

(3) An Executive Section of the Economic Commission, composed of twenty-nine members of the Commission and affiliated Committees, met on February 21–23, 1978, in conjunction with the 18th Annual Washington Conference at the Capitol Hilton Hotel. A detailed report of action taken at this meeting is contained in the Commission's Advanced Report to the May 1978 National Executive Committee and appears in the Proceedings of that meeting, beginning on page 88.

(4) A seventeen member Subcommittee of the Economic Commission and its two committees met May 3–4, 1978, at National Headquarters, Indianapolis, Indiana. The report on that meeting, as made to the National Executive Committee at its May 5–6, 1978 meeting, appears in the Proceedings of that meeting, beginning on page 87.

Report of Economic Recommendations Committee at Washington Conference 1978

The report of the Recommendations Committee of the Economic Commission was made to the Commission on February 23, 1978, at its meeting in Washington, D.C. The Recommendations Committee was chaired by Walter Rapp (Oklahoma) and had six members. The Economic Commission approved the ten recommendations on matters to be given further consideration at the May meeting. These matters to be considered were contained in the Commission's Advanced Report to the May 5–6, 1978 meeting and may be found on pages 90–91 of the Proceedings of the May 1978 NEC Meeting.

After further consideration of these recommendations at the May 3–4, 1978 meetings, six were incorporated into resolutions that were approved by the NEC at its May 5–6, 1978 meeting. These were designated as Resolution Nos. 23, 24, 25, 26, 27 and 28. The NEC rejected supporting legislation authorizing 90 days military service for Vietnam era veterans as establishing eligibility for GI Home Loans. Two of the recommendations, concerning the use of the Public Relations Division and the Legislative Council in the fight to retain veterans preference were accomplished administratiely without resolution; and it was decided to take no official position on the extension of the Veterans Readjustment Appointments.

Report of Award Committee for Selecting 1978 Employers of the Year for Hiring Veterans

The Special Committee to select two companies to receive the 1978 awards as: "Employer of the Year for Hiring Veterans" consisted of G. Y. Falls (New Mexico), Edward F. Brennan (Illinois), Robert R. Manifield (Nebraska); and W. Dean Scholl (Ohio) and was chaired by Joseph Holska (New York), with Louis B. Clark, Assistant Director for Economics, a staff liaison. They met at the Washington Headquarters Office on February 21, 1978, and reported to the Economic Commission at the business session on February 23, 1978. The report was unanimously approved.

This Committee, which had received all nominations three weeks before the meeting, considered sixty-two (62) nominations from thirty-seven (37) departments, thirty-four (34) in the category of employers with 200 or fewer employees, and twenty-eight (28) in the category of larger companies with over 200 employees. In addition to selecting the two national winners, the committee made two recommendations which were also approved. These are: (1) a company must have a minimum of 25 percent employment of veterans; and (2) that all nominations be numbered by the Economic Staff before going to the Special Committee.

The following companies will receive the National Award at the 1978 National Convention:

Large Employer (more than 200 employees) the Dolese Company, Oklahoma City, Oklahoma.

Small Employer (200 or fewer employees) the Blackmon Oil Company, Inc., Columbus, Georgia.

All department employer nominations (maximum of two, one in each category) for the 1977 Awards program for hiring veterans receive an impressive laminated plaque for outstanding employment practices of hiring and retaining veterans. Awards were prepared and shipped to the respective participating departments for appropriate presentation to the following employers immediately upon receipt of the nominations at National Headquarters:

Large employers (over 200 employees)

International Systems, Inc., Mobile, Alabama.
Lockheed Aircraft Service Company, Luck Air Force Base, Arizona.
American Can Company, Dixie Products, Fort Smith, Arkansas.
Harvey's Resort Hotel & Inn (Harvey A. Gross, President) South Lake Tahoe, Nevada (California).
Ball Brothers Research Corp., Boulder, Colorado.
Owens Illinois, Inc. (Glass Container Division), Lakeland, Florida.
Georgia Railroad Bank, Augusta, Georgia.
Chrysler Transmission, Kokomo, Indiana.
Martin Marietta Aluminum of Lewisport, Lewisport, Kentucky.
T. L. James and Company, Inc., Ruston, Louisiana.
Cianbro Corporation, Pittsfield, Maine.
Foster Forbes Glass Company, Division National Can Corp., Milford, Massachusetts.
Union Pump Company, Battle Creek, Michigan.
Inland Steel Mining Company—Minorca Mine, Virginia. Minnesota.
Ingalls Shipbuilding Division of Litton Industries, Pascagoula, Mississippi.
Air Cruisers Co.—Division of Garrett Corporation, Belmar, New Jersey.
Bossert Manufacturing Corporation, Utica, New York.
The Union Metal Manufacturing Company, Canton, Ohio.
The Dolese Company, Oklahoma City, Oklahoma.
Weyerhaeuser Company—Cottage Grove Branch, Cottage Grove, Oregon.
Superior Clothing Co., Inc., Philadelphia, Pennsylvania.
Federal Products Corporation, Providence, Rhode Island.
Tel-E-Lect, Inc., Huron, South Dakota.
Carborundum, Pollution Control Division, Knoxville, Tennessee.
Thiokol Corporation, Longhorn Division, Marshall, Texas.
The Boeing Company, Seattle, Washington.
Houdaille Industries, Huntington, West Virginia.
Neenah Paper, Division of Kimberly-Clark Corp., Neenah, Wisconsin.

Small employers (200 or fewer employees)

Englehard Industries Division, Huntsville, Alabama.
Kaufman and Broad Home Systems, Inc., Glendale, Arizona.
AGL Corporation, Jacksonville, Arkansas.

Pueblo Precision Products, Inc., Pueblo, Colorado.
Potlatch Corporation, Jacksonville, Florida.
Blackmon Oil Company, Inc., Columbus, Georgia.
Foremost Dairies—Hawaii, LTD., Honolulu, Hawaii.
Potlatch Particle Board Plant, Post Falls, Idaho.
ABEX Corporation—AMSCO Division, Anderson, Indiana.
Marshalltown Trowel Company, Marshalltown, Iowa.
Ernest Simpson Construction Co., Inc., Glasgow, Kentucky.
Westinghouse Electric Corp., Monroe, Louisiana.
Century Tire Company, Portland, Maine.
Kent Research & Manufacturing, Chestertown, Maryland.
Boston Insulated Wire, Plymouth, Massachusetts.
Gold Bond Building Products, Division of National Gypsum Co., Kalamazoo, Michigan.
Northern Electric Cooperative Association, Virginia, Minnesota.
Fruehauf Trailers, Billings, Montana.
Nashua Brass Company, Nashua, New Hampshire.
ASARCO, Inc., Bridgewater Township, New Jersey.
Spargo Wire Company, Rome, New York.
American Paper Products Company, Youngstown, Ohio.
The Pillsbury Company, Enid, Oklahoma.
A & M Lift Truck Service & Equipment, Inc., Portland, Oregon.
Specialty Precision Wire Co., Mount Carmel, Pennsylvania.
Lincoln Controls Company, Pawtucket, Rhode Island.
Homestake Mining Co., Lead, South Dakota.
Andrews Wire of Tennessee, Gallatin, Tennessee.
The Wackenhut Corporation, San Antonio, Texas.
Moon Lake Electric Association, Roosevelt, Utah.
Springfield/Penn Daw Yellow Cab Co., Springfield, Virginia.
Steady Refrigeration & Electrical Inc., Vergennes, Vermont.
American Optical Company, Wheeling, West Virginia.
T & K Specialty Product, Inc., Racine, Wisconsin.

Special Awards

Commendation plaque to Joseph LeMasurier, retiring Director, Veterans Employment Program, Civil Service Commission, for dedicated service to the Federal merit system, including veterans preference.

Commendation plaque to Howard W. West, retiring State Director for Veterans' Employment of Illinois, for outstanding contribution to the cause of veterans employment.

VA Home Loan Program

The Economic Commission's Vice Chairman, Joseph Holzka, moderated a Housing panel at the 1977 pre-convention meeting and again on February 22, 1978, in conjunction with the Eighteenth Annual Washington Conference. Mr. Robert Coon, Director, Loan Guaranty Service, Veterans Administration reported on these occasions that while the program varies in different localities, Nationally there was an abundant supply of GI Home Loan money, and that even though the program was experiencing some difficulty in some areas of the nation because of high housing cost, and other factors, the volume of VA Guaranteed Loans was increasing and it was anticipated that this would continue. It was pointed out that the sufficiency of GI Home Loan mortgage money today was due to the flexibility now afforded the VA to adjust the interest rates on VA Guaranty Loans without waiting for Congressional approval. This was a legislative measure supported by the American Legion for a number of years before it was approved by Congress.

The American Legion has traditionally been an enthusiastic advocate and strong supporter of the VA Home Loan Program. Since 1944 some ten million GI loans have been guaranteed or insured by the Veterans Administration, totalling $143 billion. Additionally, since the beginning of the Direct Loan Program in 1950, more than 329,000 veterans have received direct loans amounting to $3.33 billion. Naturally The American Legion is proud of the part it had in the passage of this landmark legislation, and are grateful that the program has been such a success. Not only has the program benefitted millions of deserving veterans in obtaining a home but it has been a tremendous benefit to the economy of our Nation.

Since the enactment of the GI Bill, our Nation has experienced tremendous changes in the economic conditions. Interest rates on VA Home Mortgage Loans which started at four percent at the end of World War II, at the writing of this report is pegged at nine and onehalfpercenton guaranteed and insured loans. Additionally, housing costs have more than quadrupled since World War II. Irrespective of these changes, the GI Home Loan Program has been successfully administered since its inception by the Loan Guaranty Service of the Veterans Administration. Nevertheless, there have been proposals from time to time to remove certain VA Home Loan functions from VA jurisdiction to other agencies. These attempts have been defeated only after strong protest from The American Legion. In testifying before the respective committees in Congress during its current Session we urged that the respective committees take every precautionary measure to see that all functions of the GI Loan Program remain under the Veterans Administration.

In accordance with current mandates and traditional policy positions, the Economic Division has supported legislation pertaining to the VA Housing Program in appropriated committees of the Congress to improve the VA Housing Program. Among those features supported by The American Legion were:

(1) authorize the Administrator of Veterans Affairs to increase the maximum assistance grant from $25,000 to $30,000 for disabled veterans in acquiring specially adapted housing;

(2) increase the maximum guaranty on VA Home and Condominium Loans from $17,500 to $25,000; (3) restructure the VA Mobile Home Loan Program by eliminating the current multiple statutory maximum loan amount for single and double-wide mobile homes, either attached or unattached to land and substitute a maximum guarantee of $17,500 or 50 percent whichever is the less.

Farmers Home Administration

The Farmers Home Administration of the United States Department of Agriculture offers the veteran farmer technical guidance in planning and carrying on a successful family-type program, as well as credit to carry out such a program. Loans are available for operation, farm purchase, to provide water for farming, home ownership in rural areas, natural disaster emergencies, or organizations to protect water resources, and to make farming more rewarding. The American Legion cooperates in providing information and assistance to veterans who are qualified and interested in such programs. Veterans of all wars, including the Vietnam era, receive priority in the granting of funds available if other criteria are met. Legislation is now pending in Congress to change the name of the Farmers Home Administration to the Farm and Rural Development Administration.

Savings Bonds Program

For the fourth year, the Savings Bonds Division of the United States Treasury Department has worked with The Legion to mail directly to each Post Commander suggested material for use in Legion programs on the various advantages of regular investment in United States Bonds. October 20, 1977, National Commander Robert Charles Smith sent a letter to all Department Adjutants on this program and the position of The American Legion to support this Savings Bonds Program. The Assistant Director for Economics, Louis B. Clark, serves on the Steering Committee of the National Organizations Committee of the United States Savings Bonds Program.

Small Business Administration

The Economic Commission continues to be concerned about the "special consideration" mandated by law for veterans and the activities of the Small Business Administration (SBA) to veterans and their survivors or dependents. The SBA has never spelled out what is to constitute "special consideration" for veterans.

Area Economic Conferences

In 1976, the Economic Commission decided to reactivate the Area Economic Conferences. The last conference was held in Annapolis, Md., in December 1976, for participants from the fifteen states comprised of the New England and Mid-Atlantic Area. As a result of that meeting it was subsequently decided to hold a future Area Economic Conference at the same time and general location as a regularly scheduled conference of another Commission. At the May 1978 meeting it was decided to schedule an Area Economic Conference to be held in conjunction with, but separately from, the Conference on Children and Youth, a plan with which the Commission on Children and Youth is in accord. In 1978–79, Children and Youth are scheduled to hold the following five conferences: Western: Airport Hilton Inn, Denver, Colorado—November 2–4, 1978; Southern: DeSoto Hilton, Savannah, Georgia—November 16–18, 1978; New England: Holiday Inn, Providence, R.I.—November 30–December 2, 1978; Middle Atlantic: Pittsburg Hilton Downtown, Pittsburgh, Pa., January 11–13, 1979; and Midwestern: Ramada Inn Downtown, Topeka, Kansas—January 25–27, 1979. A decision has not yet been made as to which or how many of these five scheduled conferences the Economic Commission will participate in. However, the National Adjutant has authorized participation in as many of these Area Conferences as scheduling will permit.

The Economic Commission is anxious to bring to the Departments, the serious situation about veterans' preference in Federal employment. Whatever happens to the current legislation designed to seriously modify veterans preference in Federal employment, this will increasingly come up at the city, county and state level. There is also concern, besides that for unemployment of veterans in general, for the older veterans of the Korean Conflict and World War II who, when unemployed, usually encounter the "older worker" job barrier and need all employment assistance possible.

Activities on other economic concerns of the Commission are reported on elsewhere in this report. The staff and the Commission keep abreast of all Economic developments that may affect veterans, especially in those areas in which there are specific veterans programs.

Claims and Appeals

This past year, the Economic staff has provided assistance for veterans, their dependents and survivors before the Civil Service Commission's Federal Employees Appeals Authority; the Appeals and Review Board; and the Bureau of Retirement, Insurance and Occupational Health. They have also assisted with claims before the Department of Labor's Office of Workers' Compensation Program; the Employees' Compensation Appeals Board; and the Office of Veterans Reemployment Rights. The staff also represents the interest of veterans before the United States Postal Service and its Board of Appeals and Review; the VA Loan Guaranty Service; the Federal Housing Administration's home loan program; the Farmers Home Administration, the Department of Agriculture and numerous other administrative claims and appeals in Federal agencies, including those under the Equal Employment Opportunity Act, and the Age Discrimination in Employment Act.

Administrative and Legislative Activities

The activities of the Economic Commission and the two committees—Employment and Veterans Preference—which the Commission supervises and coordinates are carried on by the Economic staff on a day-to-day basis. There is a steady flow of correspondence coming into the office on cases being represented before Federal agencies, inquiries of various kinds with Commission members and other Legion Commissions, and with government agencies on policies and procedures affecting veterans. The staff always welcomes any letters of comments and suggestions on Economic activities concerning veterans.

The staff accepts requests and invitations for participation in Department and National functions and non-Legion activities that pertains to the Economic program within the limits of time and a small travel budget. Such participation and resulting mutual exchange of information and ideas is always helpful and stimulating when it can be arranged.

The National Convention in Denver, Colorado, was attended by the Director, the Assistant Director for Economics and the Division Secretary. The Director attended the Spring 1978 National Executive Committee Meeting in Indianapolis, as well as the Fall 1977 NEC Meeting and the Commanders and Adjutants Conference held in conjunction with that meeting. The Director for Economics serves on the President's Steering Committee for the program Help through Industry Retraining and Employment (HIRE), part of the Administration's three-point program on veterans employment; and on the Mayor's Manpower Services Planning Advisory Committee, the CETA Planning Council for the District of Columbia. He is a member of the Executive Committee of the President's Committee on Employment of the Handicapped (PCEH), and serves on the Committee on Disabled Veterans, as well as on the Advisory Council on Affirmative Action of the PCEH. As part of these responsibilities the Director has attended various meetings in Washington, D.C., and elsewhere. The Assistant Director represents the Legion on a Veterans Coordinating Committee of the Rehabilitation Services Administration under the Department of Health, Education, and Welfare which meets regularly to bring the Department up-to-date on the handicapped and disabled veterans rehabilitation programs.

During the current report year, the Director for Economics participated in the meeting of the Veterans Committee of the Interstate Conference of the Employment and Security Agencies, in Oklahoma City, Oklahoma, May 24, 1978, as well as various meetings of the National Alliance of Businessmen, which coordinates the National Jobs for Veterans Program and the President's HIRE Program, both in Washington, D.C., and New York City, and meetings of the Veterans Employment Service of the Department of Labor, including a training conference in Oklahoma for staff and of its veterans counselors in the state employment offices. He also represented The American Legion at special observances at various government agencies and attended other meetings focused on employment and other economic needs of veterans and the government programs available to meet these needs. The Assistant Director attended or participated in various other meetings in Washington, D.C., including the National Organizations Committee for United States Savings Bonds, and the Annual Meeting of the President's Committee on Employment of the Handicapped.

Al Keller, Jr., Chairman of the Economic Commission representing the National Commander, presented American flags that had flown over the Capitol, to the recipients at ceremonies for the Outstanding Handicapped Federal Employees of the year sponsored by the Civil Service Commission. The American Legion also presented flags to the Outstanding Handicapped Employees of the Postal Service. The Director and Assistant Director represented the National Commander at this function.

In cooperation with Veterans Affairs and Rehabilitation Commission and the Membership and Post Activities Committee, The American Legion Extension Program Study Course covering Economics is revised annually. The staff is always ready to furnish material to the departments on Economic matters for use at various meetings and to answer questions and furnish any possible information.

The Commission receives frequent requests from government agencies, members of Congress, Congressional Committees, private organizations and other groups studying new programs on proposed changes in current law procedures, rules and regulations that would affect the interest of veterans. These are answered as fully as possible in accordance with current mandates and/or established policy.

The office has a steady flow of "walk-ins," either by telephone or visit, to the Washington Office. The staff schedules interviews and conferences with claimants and Legionnaires, with cases before Federal agencies or seeks information on matters covered by the Commission and its Committees. The Economic Staff carries out all paperwork relative to the three Employment Award Programs, for employers who hire and retain the handicapped and older workers, and for the "Employer of the Year for Hiring Veterans" Award.

Besides making periodic reports to the National Executive Committee and the National Commander, the Economics Division maintains a close relationship with the Public Relations Division so that The American Legion News Service (ALNS), ADVANCE, National Adjutant's News Letter, and other American Legion publications will have all available, timely information. Liaison is also maintained with The American Legion Magazine, which receives all news of developments in the Economic Program, and advises the Commission of pertinent letters received by the Magazine on Economic matters. The News Letter of the Commission, Economic Nuggets, comes out every two months to keep Commission and Committee members, and others interested in the activities of the Economics Commission up-to-date on these activities and concerns.

In liaison with the Legislative Division, testimonies prepared for presentation before Congressional Committees, background and pertinent material is supplied, and the appropriate bills required to satisfy resolutions are drafted. The Economic Staff reviews and analyzes all Legislative matters pertaining to economic interest to veterans, particularly those for which The American Legion is already mandated.

Under the section of this report on resolutions will be found information about various staff appearances and the final statements before Congressional Committees.

The liaison between the Economic Commission Staff and that of the Public Relations and Legislative Commissions has been particularly active in this year because of the administrative-led campaign to drastically curtail veterans preference in Federal employment.

Conclusion

The Commission and its affiliated Committees always welcome letters and reports on all activities on Economic programs done at every level: Post, District, County and Department. It is only by such active work at every level that Legion policies will become effective.

All contributions made to our programs by individual Legionnaires, officials of The American Legion and representatives of business, government, management and labor are greatfully appreciated.

The Economic Commission expresses its sincere appreciation and gratitude of the affiliated committees for the splendid spirit of cooperation always received from the staffs of the Washington and Indianapolis Offices, the National Commander, the National Adjutant, and staff members of the Veterans Affairs and Rehabilitation and Economic Division, who are responsible for the successful administration of The American Legion's economic program.

The respective reports of the two Committees assigned to the Economic Commission for supervision and coordination follow:

EMPLOYMENT COMMITTEE

MERRICK W. SWORDS, Jr., Louisiana, *Chairman*

Members of the employment committee met with the Economic Commission during the report year on two occasions. These meetings were held on August 19-20, 1977 in Denver, Colorado prior to the convening of the 59th Annual National Convention, and again on February 21-23, 1978, in conjunction with the Eighteenth Annual Washington Conference. An employment panel was conducted at each of these meetings and the committee chairman and several members met with the subcommittee of the Economic Commission in Indianapolis, Indiana, in October 1977 and May 1978. During these panel sessions we were fortunate to have representation from the various government and quasi-government agencies and bureaus with whom we work cooperatively on a day-to-day basis.

The foremost responsibilities and objectives of the committee are to enhance employment and job training opportunities for all war veterans, the young Vietnam era veteran, and disabled veteran, and the older veteran of the Korean conflict and World War II, and to effectuate the purpose and intent of National Convention and National Executive Committee resolutions on employment and related subjects. The administrative functions and the day-to-day workload of the committee are carried on by the Economic Division Staff. The Employment Committee fully supports the employment programs sponsored and carried on by the Economic Commission through the total efforts of The American Legion departments and the United States Employment Service facilities.

The Employment Committee under supervision of the Economic Commission, and in cooperation with the Legislative Division, has traditionally supported adequate funding by Congress for the Department of Labor to operate and carry on an effective job placement and employment counselling and job training placement program for veterans, as well as other programs designed to support and improve the veteran's economic capabilities. This is especially necessary in this time of inflation and high unemployment.

President's Initiatives

Immediately after the swearing-in of Ray Marshall, Secretary of Labor, early in 1977 he announced that "The President has put among his highest priorities the plight of thousands of Vietnam-era veterans who continue to bear a disproportionate share of the unemployment that exist today." Secretary Marshall then described three related initiatives proposed by the President as part of his economic stimulus package. They were: (1) the Help through Industry Retraining and Employment (HIRE) Program; (2) a goal of 35 percent veteran participation in new Federally funded Public Service Employment (PSE) jobs; and (3) the Disabled Veterans Outreach Program (DVOP).

Help through Industry Retraining and Employment (HIRE)

The first of the three initiatives to alleviate the plight of thousands of jobless Vietnam era veterans, Help through Industry Retraining and Employment (HIRE) program which was launched on July 14, 1977 at a White House Conference attended by representatives of business, labor and veterans organization leaders was addressed by President Carter. HIRE, funded from CETA Title III monies at a level of approximately $140 million was to be aimed at providing private sector employment and training opportunities for one-hundred thousand jobless veterans by the end of fiscal year 1978. The nation's employers, particularly the major corporations were asked to provide job and job training opportunities for veterans to be coordinated with the Veterans Administration on-the-job training and GI Education Programs. The National Alliance of Businessmen (NAB) was asked to coordinate and supervise the HIRE Program. The Director for Economics was named to the 18 member Steering Committee for HIRE. The jobs for the most part at entry level were to pay at least $3.50 per hour while disabled and Vietnam era veterans were to receive priority consideration for filling HIRE openings. However, if a sufficient number of this category of veterans were not available, HIRE job orders were to be filled with other persons eligible for veterans preference, economically disadvantaged youth, or long-term unemployed persons.

The HIRE guidelines, now known as HIRE I, was a two phase program; the reimbursable part where employers are reimbursed for part of the veterans wages while training on-the-job, the second phase was a voluntary program wherein employers would make a pledge to hire so many veterans. The reimbursable part of the program was a miserable failure as of April 21, 1978, only 520 persons had been hired. In view of this the NEC approved a resolution upon the recommendation of the Economic Commission at its May meeting which urged the Secretary of Labor to transfer the responsibility for the reimbursable part of the HIRE Program to the State Employment Security Agencies; and also ask that the Secretary be advised that The American Legion is firmly and unalterably opposed to the diversion of any HIRE function of funds to CETA prime sponsors, a move proposed at that time without consulting the President's Steering Committee on HIRE.

The American Legion had earlier made various recommendations as to how the program could be improved yet these recommendations were unheeded. In the first place we felt that the HIRE Program should be made exclusively for veterans. Irrespective of American Legion advise, the HIRE Program was begun with requirements that only large companies with plants in at least two geographical locations and offering to hire 100 veterans on a reimbursable basis would be in the program. In fact it was at the insistence of The American Legion that the original planned 500 was scaled down to 100, then to 15 jobs per company, with only one location.

Guideline for HIRE II has now been initiated by the Department of Labor and turned over to prime sponsors. Many prime sponsors have refused to participate in HIRE II while others are reluctantly accepting the HIRE grant. At this writing the Department of Labor advises us that HIRE II will be exclusively for veterans and that funds will be extended through March 31, 1979.

As to the voluntary part of the original HIRE I program it has been reported that there are some 70,000 pledges. However, there are no reliable statistics at this time on the number of veterans actually hired as a result of the voluntary program. Usually there is no follow-up.

Goal of 35-Percent Veteran Participation in PSC

The second phase of the President's three initiatives intended to assist jobless veterans was a 35-percent veterans participation under the Comprehensive Employment and Training Act (CETA). Nation-wide veteran participation in CETA public service jobs was 26.8 percent. Here again we have the Administration's lack of concern, the same problem as we have in getting them to implement laws and regulations pertaining to the employment of veterans. As far as the CETA Program is concerned any success in placing veterans in jobs and job training slots depends on getting representatives of veteran organizations on local planning councils, which review the job training and employment programs of the prime sponsors.

For a long time the department even refused to consider veteran organizations as "community-based organizations" for the purpose of serving on Manpower Planning Councils. We are hopeful however, that the CETA authorization extension now being considered by Congress, which was supported by The American Legion, will provide more meaningful veterans' preference and require veteran organization representation on local and national planning councils.

Disabled Veterans Outreach Program

The third initiative of the President's announced program, the Disabled Veterans Outreach Program (DVOP) established outreach units in Employment Service Offices in the 100 largest cities with at least one such unit in each state. These units were staffed by some 2,000 disabled veterans in local employment offices to bring disabled veterans into the labor market and provide services to help them be placed in meanful employment. It is believed that the DVOP staff has assisted greatly in getting disabled and Vietnam era veterans in the labor market. However, nation-wide we have received no reports on job placement by the DVOP staff. We do understand in various areas of the country that the program is working well. In some areas we have received disturbing reports that in some local offices throughout the country the DVOP staff is being diverted to other duties that keep them from performing their outreach functions. When specific cases are brought to our attention the staff endeavors to correct these deficiencies.

The Administration purposes to cut the DVOP staff through attrition of 500 jobs per year until the program terminates in 1980. This purposed expiration is regrettable particularly when many older veterans of World War II and the Korean conflict with service-connected disabilities find their disabilities more handicapping in a tight labor market, and young disabled Vietnam era veterans continually need employment assistance. Upon the recommendation of the Economic Commission the National Executive Committee at its spring meeting approved a resolution asking that DVOP be integrated into the regular program of the State Employment Security Agencies and that the Department of Labor plan to continue making funds available for this purpose.

Jobs for Veterans

"Jobs for Veterans" continues as a priority program of The American Legion, reaffirmed by a 1977 National Convention mandate. There have been many changes in this program since its inception in June 1970, but through them all The Legion has cooperated, and will continue to cooperate, with all enthusiastic individuals and groups, both public and private, in an effort to enhance employment opportunities for all veterans who are interested in obtaining jobs.

The primary goal of The American Legion's Jobs for Veterans efforts nationally, or in the field is to bring veterans and employers to the state employment office to meet requirements of the President's Three Point Program initiatives for employment of veterans coming under the program. National Commander Robert Charles Smith early in this report year wrote to the appropriate department officials urging that all Legionnaires be alerted to the program and the necessity to bring veterans to the employment offices.

We should like to recognize and compliment The American Legion Magazine, The American Legion News Service, the Public Relations Division, and the various departments, districts, and posts for their efforts in publicizing our "Jobs for Veterans" program.

Disabled and Older Veterans

The Employment Committee has traditionally been involved in employment programs intended to improve and expand employment opportunities for veterans of all wars, including but not limited to the handicapped and older workers. Considerable time and effort have been devoted to developing and publicizing promotional programs to educate the employers and the general public to the advantages of employing disabled and older workers, especially veterans, in order to combat arbitary employment policies which tend to eliminate the disabled and older workers in the labor force. During The Legion year 1977–78, the Employment Committee, in cooperation with the President's Committee on

Employment of the Handicapped, observed its 31st "National Employ the Handicapped Week," October 2–8, 1977. "National Employ the Older Worker Week" was observed for the 20th consecutive year March 12–18, 1978. These employment promotional programs are designed to encourage employers to hire and retain disabled and older workers by awarding National citations to one employer in each department of The American Legion who has done an exemplary job in employing and retaining the handicapped and the older worker and job seeker.

Award program for hiring the handicapped

During the current report years, July 1, 1977 through June 30, 1978, the following 25 departments participated in the National Handicapped Award Program by honoring a firm with an exceptional record in hiring and retaining the handicapped, especially disabled war veterans: Alabama, Arkansas, Colorado, Georgia, Idaho, Indiana, Maine, Maryland, Michigan, Montana, Nebraska, New Jersey, New York, North Carolina, South Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, West Virginia and Wisconsin.

Award program for hiring the older worker

During The American Legion year July 1, 1977 through June 30, 1978, the following 23 departments supported the National citation award program by recognizing an employer with an outstanding record in employment of older workers, especially war veterans: Alabama, Arkansas, Connecticut, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Michigan, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Utah, and Vermont.

Employer of the Year Award for Hiring Veterans

The "Employer of the Year Award for Hiring Veterans" Award program is designed to confer National recognition each year on outstanding employers who favor the employment and retention of war veterans. Each department is encouraged to make a nomination in each of the two categories—one with more than 200 employees and one for employers with 200 or fewer employees—submitting the employer's name and documentary evidence to the Economic Commission. Any employer in private business or industry, an individual or a firm, in business at least five years and show a 25 percentage of employment of veterans, is eligible for nomination. An impressive plaque for each nomination is sent directly to the department for presentation as they wish. These nominations from the departments are then judged by a Special Awards Committee, whose report to the Economic Commission when meeting in conjunction with the Annual Washington Conference is contained in that section of this report. This Special Awards Committee selects two employers—one in each category—to receive a special plaque as outstanding employer of the year for hiring veterans at the National Convention.

Veterans' Employment Service

The first Deputy Assistant Secretary of Labor for Veterans Employment Roland R. Mora who had been nominated at the close of our last report was sworn in on September 9, 1977 Mr. Mora has now resigned his position after serving for some ten months. Shortly after the filling of the Deputy Assistant Secretary's position the position of Director, Veterans Employment Service was abolished, citing as the reason the establishment of the new position of Deputy Assistant Secretary for Veterans Employment. The American Legion strenuously opposed this action since the legislative history clearly shows that it was never intended that the DASVE replace the Director, Veterans Employment Service, in the day-to-day responsibility of running the Veterans Employment Service. The creation of the DASVE position was intended to overcome the bureaucratic bias and inertia of the Department of Labor in implementing previously inacted legislation to improve the employment of veterans. Because of these internal problems the efficient operation of the Veterans Employment Service has been made impossible by inadequate staffing and internal strife. There has been a lack of effective communication between the Office of the DASVE, the Veterans Employment Service staff, the field people, with veteran organizations, and with higher echelons of the Department of Labor. In a letter of June 23, 1978, National Commander Robert Charles Smith wrote to the Secretary of Labor Ray F. Marshall and urged that he rescind the earlier action, and reestablish the position of Director, Veterans Employment Service, and immediately appoint an experienced, thoroughly qualified and capable individual as Director.

The American Legion is mandated to have established the position of full Assistant Secretary of Labor for veterans employment, which we believe is necessary to insure that the rights of veterans to full participation in employment and training programs in the Department of Labor are protected, and that the laws passed by Congress to this end are fully implemented. In the interim it is The American Legion's position that the appointment of a Deputy Assistant Secretary for veterans employment is crucial and that a person fully qualified and knowledgeable about all phases of veterans employment be selected for the position, which will require Senate confirmation.

The Vietnam era veterans' Readjustment Act of 1974 required the Secretary of Labor to establish "definite performance standards" for determining compliance with the basic veterans employment legislation, as found in Chapters 41 and 42, Title 38, United States Code. The Department of Labor delayed the implementation of these veterans performance standards for almost four years, before finally publishing them as Federal regulations on March 3, 1978. These "Veterans Preference Indicators of Compliance," as they are called, are important because for the first time they establish numerical veterans' indicators in such areas as job placement, counseling, and job development. We believe that these belated regulatory requirements will prove effective in strengthening employment service to veterans.

The Director for Economics has testified on the Department of Labor budget request before the appropriate Congressional committees, as well as before Congressional subcommittees concerned with oversight of veterans employment; and pointing out the inadequacy of performance of the Department of Labor's veterans employment programs and made recommendation for improvement. Besides the problems that have existed in the past year in VES The Legion has urged the earmarking of designated funds for employment assistance to veterans and fiscal accountability at each level of Federal, state, and local office operation; clearer and less restrictive definitions of veterans in legislation and regulations; the need for more research on veterans employment; and strict and even enforcement of the mandatory listing-affirmative action requirements of law.

Comprehensive Employment and Training Act (CETA)

Veterans are receiving very few public service jobs or training slots under the Comprehensive Employment and Training Act (CETA). There is no meaningful preference for veterans in CETA and further the Act under current authority does not provide for veteran organization representation on local CETA planning councils. Even though the Secretary of Labor has stated in a letter to our National Commander that the veteran organizations are "community base organizations," and as such would qualify to serve as members of local CETA planning councils. The Department of Labor, however, has not informed CETA prime sponsors of this fact.

The Economic Commission is encouraged to note that because of a position paper submitted to the Department of Labor last January at their request, to comment on draft proposed amendments to CETA, both S 2570 and HR 11086 (amendments to CETA) provide for veteran organization representation on CETA planning councils.

The CETA legislation pending before the Congress is intended to consolidate existing CETA legislation, improve employment and training service, and extend authorization. In accordance with current mandates we have submitted testimony before the appropriate subcommittees in both Houses of Congress. Your commission, of course, supported those provisions which were favorable to veterans and urged other amendments to improve the employment of veterans under CETA by providing for veterans preference in all job and job training activities financed through Federal funds.

The second part of the President's Three Point Employment Initiative for veterans reported on earlier in this report namely the National goal of 35 percent veteran participation in CETA public service jobs was never met. It reached only 26.8 percent veteran participation. One obstacle relative to low veteran participation in the CETA program is due to the fact that between 70 and 90 percent of the veteran population are determined ineligible because they do not meet the poverty criteria established by the Department of Labor.

Mandatory Listing—Affirmative Action

"The mandatory listing" requirements under Charter 42, Title 38 United States Code and the requirement of affirmative action for disabled and Vietnam era veterans would be effective placement tools of the Veterans Employment Service if the Department of Labor would make an all out attempt to set up meaningful regulations for their use and enforcement. One difficulty reported in enforcement is that the employment service and the local VERs must on one hand, do job development and establish cordial relationship with employers, and, on the other hand, encourage veterans to register complaints and to report Federal contractors for noncompliance with these regulations.

On the employment panel held on February 22, 1978, in conjunction with the 1978 Washington Conference Mr. Weldon Rougeau, Director of the Office Federal Contract Compliance Programs (OFCCP), Department of Labor, reported that his office is increasing reviews of employers with Federal contracts. OFCCP, which has the ultimate enforcement responsibility, had at that time received four hundred complaints of nincompliance by Federal contractors, and about half this number had been resolved.

In response to American Legion Resolution No. 418 of the 1977 National Convention OFCCP is conducting program reviews in the field to be sure contractors are including affirmative action plans for hiring veterans and that their medical requirements for jobs are relevant.

In accordance with certain mandates, the Economic Commission submitted numerous recommendations on the "preliminary report on the revitalization of the Federal Compliance Program." Considerable success has been obtained in the implementation of Resolution No. 38 of the spring 1977 NEC meeting which seeks enforcement of mandatory listing—affirmative action requirements of Federal contractors. Additionally, numerous complaints of Federal contractors noncompliance have been successfully expendited through OFCCP. The Commission has also recommended that an Assistant Secretary head a Federal contract compliance administration with sufficient enforcement authority and procedures. The administration is now giving consideration to this recommendation.

VETERANS PREFERENCE COMMITTEE

A. B. FENNELL, South Carolina, *Chairman*

An Executive Session of the Veterans Preference Committee including its chairman and vice chairman, met with the Economic Commission and the employment committee on two occasions during the report year. These meetings were held on August 19–20, 1977, prior to the convening of the 59th Annual National Convention, Denver, Colorado, and again on February 21–23, 1978 during the 18th Annual Washington Conference. There was a veterans' preference and Federal employment panel at each of these meetings, the chairman serving as moderator. The committee chairman and vice chairman also met with the subcommittee of the Economic Commission in October 1977 and May 1978 in conjunction with the fall and spring NEC meetings.

The Veterans' Preference Committee operates today as it did when The American Legion was founded, under the premise that, "those who were preferred to serve their nation in the armed forces in time of war should be preferred to serve their nation in a civilian capacity when qualified" your committee therefore is obligated, "to remain constantly alert to insure that none of the rights, privileges and benefits granted to veterans by Federal law, in accordance with established policy of The American Legion, are diluted."

Preference for veterans in the work of the Federal Government has been a policy of the United States since General George Washington was entreated to forego the tranquilities of private life at Mt. Vernon to undertake the task of leading the new Nation. Even then some people protested that excellence in war should not be a factor in considering service in peace, and through the years there have been constant attempts to destroy or water down the Veterans Preference Act as currently codified under Title 5, United States Code. Today the endangerment to veterans preference in Federal employment comes directly from the Carter Administration. Therefore, the issue of veterans preference in Federal Employment has been receiving much attention from The American Legion and all veteran organizations since the Chairman of the United States Civil Service Commission, Alan Campbell, told The American Legion at our 1977 National Convention in Denver, Colorado, that the Carter Administration intends to seek legislation to modify veteran preference.

United States Civil Service Commission Veterans Preference Attack

The Carter Administration purposes through Alan Campbell, Chairman of the Civil Service Commission as spokesman, to make major changes in the Federal Personnel System through both Civil Service Reform legislation and a reorganization plan. The reorganization plan would split the Civil Service Commission in two agencies—an Office of Personnel Management and a Merit System Protection Board. The interest of veterans will be adversely affected by this proposed reorganization since it will weaken the administration of Civil Service laws including the Veterans Preference Act.

The Civil Service Reform legislation is currently pending in the Congress, namely S. 2640 and H.R. 11280. The reorganization plan has also been submitted to the Congress. Hearings have been held on the reform legislation and as reported on earlier in this report on Resolution No. 220 of the 1977 National Convention and spring NEC Resolution No. 27 the Economic Commission has testified before the House Post Office and Civil Service Committee, the Senate Committee on Governmental Affairs, and on the reorganization plan before the House Committee on Government Operations. All these measures will seriously weaken veterans preference in Federal employment and naturally is of deep concern to the total membership of The American Legion and to all veterans. Not only does this issue involve Federal employment, but some twelve million jobs in state and local governments, since any serious dilution of veterans' preference in the Federal system would influence state and local governments to follow suit.

The administration is very deceptive in its attempt to mislead the Congress and the general public by implying that veterans preference provides promotion which allegedly keeps women and minority out of high level jobs; that veterans preference provides "absolute" preference in a reduction-in-force; and that it is practically impossible to fire undesirable employees. All of these implications are totally in error and members of Congress have become more and more aware of Chairman Alan Campbell's "push" to get Civil Service Reform legislation enacted and the reorganization plan approved regardless of methods used.

The proposed revision of the appeal system as currently being considered would rob other veterans and nonveterans of employer rights they now enjoy, under the Veterans' Preference Act for veterans, and, by Executive Order, for nonveterans. As serious as the proposed changes in veterans preference are, they are not as extensive as originally proposed in the option papers, therefore, we have made some success thus far. As an example it was first recommended that five points preference be given to nondisabled veterans for only five years after discharge. This was moved up to 10 years when the bill was introduced and three years retention after employment. There were also various other initial proposals improved upon, such as preference for disabled veterans was not changed. But we must not only win the fight to preserve veterans preference, we must tighten up on existing laws. The Economic Commission has therefore offered amendments to improve the merit system by providing the Civil Service Commission the authority and resources needed to do an even better job of examining and enforcing Civil Service and veterans preference laws.

The Economic Commission with the approval of the National Commander, and in full cooperation with the Legislative Commission, Public Relations, and other commissions and division embarked on an extensive campaign to acquaint every Legionnaire and as many other veterans as possible of the threaten danger to veterans' preference, and provided them with material to answer in the media the administration's attacks on veterans' preference and urge them to contact their Congressional representatives on this matter.

To further dilute veterans' preference for five point veterans, as well as disabled service-connected veterans, which the Civil Service reform legislation is not to intefere with, the Civil Service Commission over the strong objection of the Economic Commission and numerous other groups and organizations, has approved a very, very discriminatory and controversial "Special Emphasis Employment Program" commonly called the "Sugarman" plan, which is intended to increase hiring of women and minorities now alleged to be under represented in Federal employment. This plan, was scheduled to be effective in June 1978, but temporary postponed, will permit agency managers to make temporary appointments for up to two years without competitive examination, and if proven satisfactory, then be converted to competitive status.

The Civil Service Commission has been making every effort to line up support by organizations of those engaged in personnel work for other governments, such as cities, counties, and states, and is claiming that these bodies are also curtailing veterans preference. We must strive to preserve veterans' preference on all levels—national, state, and local. It is the consensus of the Economic Commission that we can have this victory if we all do our part, as an organization and as individual veterans, by taking the issue to our elected officials and letting them know that we are unalterably opposed to any and all attempts to eliminate or weaken veterans' preference, a system which has been an integral part of the Federal merit system for many years.

Late Status of the Civil Service Reform Legislation

The Senate Governmental Affairs Committee in its markup sessions on S. 2640 rejected the purposed change in veterans' preference. The bill was approved by the Committee June 29, 1978.

However, the Post Office and Civil Service Committee in considering the proposed change in veterans' preference in H.R. 11280 on June 28 voted in favor of a compromise proposal, backed by the Carter Administration, to modify existing veterans' preference which had been rejected by the Senate committee. Under the House compromise nondisabled veterans could use their five points preference after discharge from military service to assist in getting one Federal job 15 years after discharge. Disabled veterans would retain lifetime preference. The compromise also protected veterans in Federal jobs in reduction-in-force actions for eight years after appointment, instead of three years as originally proposed by the Administration. This Committee had earlier voted in its mark-up sessions to retain the Rule of Three instead of a Rule of Seven as proposed by the Administration.

Contracting Out of Government Services

The Economic Commission and its Veterans' Preference Committee continue strong opposition to the contracting out of government services for guards or protective officers, elevator operators, messengers and custodian positions. The contracting out of government services, normally performed by in-service personnel, a majority of whom are veterans and disabled veterans, is a means of circumventing the Veterans' Preference Act, which distinctly states that preference in Federal employment shall be given to eligible veterans. In fact Section 3310 of Title 5, United States Code, formerly Section 3 of the Veterans' Preference Act, restricts eligibility for said positions, to persons entitled to preference under the Act so long as such persons are available. Resolution No. 33—October 1976, mandates the Economic Commission to vigorously oppose the government contracting-out policy and seeks legislation to amend the appropriate section of the law to restrict contracting-out of these custodial and protective services. A draft bill has been submitted to carry out the purpose and intent of this resolution.

Department of Defense—Overseas Hiring

Early in the 1970s the Civil Service Commission gave the Department of Defense special authority to hire overseas personnel with first preference to dependents and not to veterans' preference eligibles. We understand that the Civil Service Commission expected that veterans preference would be observed within the dependents applying, also in hiring from any non-dependent group. However, the Department of Defense established an overseas hiring policy of giving first priority in hiring to dependents of military and civilian personnel; second priority to local nationals; and third priority to local non-dependent U.S. Citizens, so that the non-dependents with veterans' preference were reached last in the hiring. The Civil Service Commission, after withdrawing this special authority, at the insistence of The American Legion, later rescinded the action at the insistence of the Department of Defense. Because of our continued persistence the Civil Service Commission requested the Department of Justice to issue an opinion in the matter. After the Justice Department delayed issuing a legal opinion to the Civil Service Commission for about a year the Economic Division wrote to the Attorney General on May 22, 1978 and asked that an opinion be issued relative to the overseas hiring as soon as possible. Therefore, the Justice Department issued an opinion shortly thereafter and ruled that the 1944 Veterans' Preference Act legally entitles veterans, not Department of Defense dependents, to favored treatment in competition for defense jobs abroad and thus violates veteran rights.

United States Postal Service

When the Postal Reorganization Act was being considered in Congress, The American Legion was able to have the law provide that veterans' preference would apply in the Postal Service the same as if it were in the competitive Civil Service. This means that the reduction-in-force procedures will be followed in case of a reorganization. However, the Postal Service has conducted a so called "realignment" procedure which is in reality a reorganization and therefore reduction-in-force procedures should apply. When the Postal Service first contemplated this "realignment" they unsuccessfully sought the approval of the Civil Service Commission who determined that in reality such a realignment would be a reorganization and reduction-in-force regulations should be followed. Nevertheless, the Postal Service proceeded with the plan which has been strenuously opposed by The American Legion. We regret, however, to report at this time that the Civil Service Commission continues to shirk its responsibility to exercise enforcement authority over the Postal Service. The Postal Service's "realignment" policy is directly circumventing reduction-in-force procedures under which veterans in the Postal Service have appeal rights to the Civil Service Commission. Funds have been raised by various American Legion posts, particularly the Department of the District of Columbia's Postal Service Post for a suit against the Postal Service.

FINANCE COMMISSION

CHURCHILL T. WILLIAMS, Iowa, ***Chairman***

WEBBER LaGRANGE, Indiana, ***National Treasurer***

PAUL M. ALLEN, Minnesota, ***Fiscal Supervisor***

The primary obligation of the Finance Commission is to prepare a yearly budget for submission to the National Executive Committee and to exercise reasonable control to see that the various divisions and/or departments of the National Organization operate within the approved appropriations. The Finance Commission is composed of seven members. The National Adjutant is the Ex-Officio secretary and the National Commander and National Treasurer are Ex-Officio members.

Obviously, in the preparation of budget recommendations prime consideration must be given to the avoidance of "deficit budgets" and envisioning the financial problems of The American Legion for a period beyond that involving the specific proposals of the year under consideration.

The Finance Commission is very pleased to report the net income for year ending 1977 of $1,784,427.00 was more than anticipated. The Membership for 1977 was over the figure the Finance Commission used in preparing the budget and the Veterans Affairs and Rehabilitation had less a deficit than anticipated. It was also noted National Emblem Sales and Magazine advertising provided additional income in 1977.

The dues increase, which became effective June 16, 1976, had a favorable effect on the 1977 budget. The 1977 dues were allocated as follows: $1.75 to the General Fund of The American Legion; $1.50 to The American Legion Magazine; and $.25 to Veterans Affairs and Rehabilitation.

The $.25 allocation of dues to Rehabilitation will no longer fund this program and it was necessary to supplement the fund $600,000 in 1977 from general revenue.

The National Finance Commission reviewed the insurance coverage and found the insurance to be adequate except it did approve an increase in the areas of employees liability and Workmens Compensation. It also requested the insurance agent make a study on the "status of personal injury" coverage and report to the Finance Commission at the Washington Conference; however, the report has not been received.

Because our fiscal procedures have not been reviewed for some time and because of the incursion of various agencies of the Federal Government into the record keeping procedures employed by profit and nonprofit corporation, your National Finance Commission has adopted more detailed and stringent guidelines governing the expenditure of and accounting for Legion monies.

Your attention is called to the reports of the various committees and trusts which report to the Finance Commission, which reports are contained elsewhere in the annual report. A full financial statement is incorporated in the Auditor's Report.

AMERICAN LEGION ENDOWMENT FUND CORPORATION

HARRY W. COLMERY, Kansas, ***President***

Foreseeing the necessity for a regular annual income to support its war veterans rehabilitation and child welfare programs, The American Legion, in the year 1925, conducted a national campaign for contributions to support those two programs. The proceeds from the campaign were placed in the custody of the American Legion Endowment Corporation as trustee, a goal of $5 million having been set and generous contributions being received.

The corporation was incorporated in 1925 under the laws of the State of Delaware and a trust agreement was entered into between The American Legion and the corporation under which the funds were administered by the corporation and the annual net income therefrom was paid to The American Legion for the use of the two programs described.

The financial condition of the endowment fund is summarized as shown below for each of the preceding years. The figures shown were taken from the annual audits of Geo. S. Olive & Co., Indianapolis, Indiana.

	Dec. 31, 1977	Dec. 31, 1976	Dec. 31, 1975	Dec. 31, 1974	Dec. 31, 1973
Total assets	$7, 159, 699	$7, 439, 164	$7, 456, 915	$7, 455, 736	$7, 423, 287
Net interest received	370, 765	517, 708	515, 387	516, 609	653, 993
Expense	11, 256	14, 192	12, 683	15, 350	15, 618
Excess of income over expense	359, 509	503, 516	502, 704	501, 259	638, 374
Earnings transferred or due to the American Legion	650, 000	525, 000	500, 000	500, 000	360, 000
Yield on average book value of securities (percent)	5. 02	6. 77	6. 74	6. 72	8. 60

EMBLEM COMMITTEE

CLAYTON C. SCHLICK, Iowa, *Chairman*

ALFRED L. LANKENAU, JR., Indiana, *General Manager*

Meetings and Catalog

The Emblem Committee met twice since our last report. The meeting of the committee in August 1977 in Denver, Colorado was to consider bids, award contracts for 1978 requirements, and to carefully study operating policy. The second meeting in May 1978 studied general operations, as well as the on-line computer system. An analysis was made of the catalog page recap report which compares per page costs with per page sales.

The 1978 National Emblem Sales catalog combined American Legion, American Legion Auxiliary and Sons of The American Legion merchandise in sixty (60) pages. The catalog, with order blanks bound into the book, was shipped using a pre-printed indicia on the back cover and a simple self-adhesive mailing strip. This results in considerable savings over our previous method of poly-bagging each catalog. The catalog was mailed to all departments, posts and units (approximately 65,000 copies) as soon as it was received from the printer. An additional quantity of approximately 30,000 was distributed to individual members in response to their requests and at department conventions where we had Emblem Sales displays.

Advertising

We used the "Advance" for several promotions during this advertising year. One-page ads promoted Veterans' Day items, Past Officer merchandise, and jackets. A two-page ad featured Memorial Day items and a half-page ad promoted the 1978 catalog. In addition, a number of feature stories made mention of emblem merchandise including Baseball Booster decals and the proper use of The American Legion emblem.

Advertising in The American Legion Magazine during this past year has been centered on a one-page four-color ad featuring jackets. This ad appeared in four issues of the magazine—October 1977, November 1977, January 1978 and March 1978. Since the appearance of this ad, total jacket sales have increased more than 50 percent compared to previous years sales While expenses involved with four-color production and space were considerable, we feel that the results more than justified the expense. We plan to advertise other products in this manner in the future.

A brochure promoting jackets has been placed in the 1978 New Orleans National Convention packet. This is in addition to our regular space ads in the convention program.

The Emblem Committee continues to regularly review the advertising program.

Department Convention Exhibit and Display

The exhibit and display of official emblem merchandise at fifteen department conventions was conducted during the year 1977. These exhibits have been at the invitation of department officials for the purpose of good-will and service to the individual Legionnaires. We exhibited at eleven conventions in 1978 by invitation.

Each purchaser benefits by the division's economical direct sales program an quantity purchasing power. The net profit derived from sales is paid into the general fund, which is expended under the direct supervision of the Finance Commission to promote the aims and programs of the organization, thereby further benefiting the individual member.

Sales Data

The gross sales, net earnings, etc., for the entire year of 1977 and for the first 6 months of 1978, for the Emblem Sales Division are as follows:

January 1, 1977–December 31, 1977 (12 months)

Gross sales	$2, 859, 158
Cost of goods sold	1, 771, 939
Overhead	800, 305
Operating profit including discounts taken	286, 914

The number of individual orders processed during the 12-month period was 58,191.

January 1, 1978–June 30, 1978 (6 months)

Gross sales	$1, 893, 169
Cost of goods sold	1, 184, 536
Overhead	431, 803
Operating profit including discounts taken	276, 830

The number of individual orders processed during the 6-month period was 35,472.

LIFE INSURANCE AND TRUST COMMITTEE

HAROLD E. HEINLY, California, *Chairman*

GENE L. FATTIG, Indiana, *Director*

The American Legion life insurance plan produced its 20th consecutive year of growth and achieved many important goals. It has two definite and clear objectives: (1) to attract membership in The American Legion; and (2) to provide funds for program activities in The American Legion. The insurance department is staffed by a national headquarters' employee who serves as director. The plan is administered by the Youngberg-Carlson Co., Inc., in Chicago, Illinois under contract. The American Legion life insurance and trust committee is composed of chairman, vice chairman, national commander's representative, two consultants and eight other members. The committee met at the 1977 national convention and again at the annual spring conference held in national headquarters of The American Legion. This committee is assigned to the finance commission for jurisdictional purposes and provides that it shall report through the said finance commission to the executive committee of The American Legion, the governing body of The American Legion between national conventions.

Improvements

The plan since its inception April 1, 1958, has continued to move forward and make improvements. An item of major importance was the approval of a resolution in 1971 by the executive committee to raise the limits of The American Legion life insurance plan to four full units. Legionnaires under age 30 (26 in New Jersey and Ohio) who were eligible for a maximum of $10,000 protection before were then eligible to apply for up to $40,000 in Legion life benefits.

A resolution approved in 1970 by the executive committee increased the awards of the national oratorical contest. The new awards are, 1st place, $8,000; 2nd place, $5,000; 3rd place, $3,000; and 4th place, $2,000. In addition each department (State) oratorical winner who is certified into and participates in The American Legion national high school oratorical contest at the regional level receives a $500 scholarship to pursue education beyond high school. In addition, The American Legion baseball program receives support and for 1978, an allocation of $210,000 was set aside for that purpose. A resolution approved by the executive commitee in 1977 provided the sum of $15,000 for support of the junior uniformed groups participating in competition at the 1978 national convention. Further, the following expenses for calendar year 1977 were also charged to The American Legion life insurance trust fund: staff travel—$2,235.53; committee travel—$5,076.29; administration and promotion of The American Legion life insurance scholarship—$670.76; scholarship (insurance) $500; oratorial conference and scholarship promotion expenses—$29,122.98; legal service—$4,800; accounting service—$3,600 and thrust fee $1,500.. These facts establish quite well that The American Legion life insurance plan is doing every thing it was designed for and even more.

Effective January 1, 1974 protection under the plan no longer ceases at age 75. It will continue to be in force as long as premiums are paid and the insured remains a current member of The American Legion, and the plan stays in effect. At age 75 and over, the beneficiary will receive $250 for each unit of insurance for which the legionnaire is covered.

At the national convention in 1975, the finance commission and the executive committee approved an amendment to The American Legion life insurance plan so as to make available a total of six units of coverage rather than four units. The additional coverage became available as of January 1, 1976. Legionnaires under age 30 (26 in New Jersey and Ohio) who were eligible for the $40,000 maximum protection before, can now apply for up to $60,000 in Legion life benefits. Of course, the most important news being that the cost per unit throughout all the years remains just $24 per unit a year. This low cost coupled with the long range value makes this Legion life plan ideal for those you love and want to remember—whether it's a family, a charity, a foundation, or even your local Legion post. Remember, The American Legion life insurance plan always pays in addition to any other life insurance protection you may have. It is not meant to replace any existing policies you may have. It simply gives you big money added protection at incredibly low cost.

The American Legion life insurance division is most pleased to announce that for the ninth time in the 20-year history of the plan an increase in benefits is being provided to all insured legionnaires. This benefit increase, amounting to 10 percent, was effective January 1, 1978 and will be extended through December 31, 1978 on all losses during that period. The increase applies across the board and comes without additional cost. As with past increases, the bonus is a result of the claims experience under the plan being better than expected. With the newly instituted six unit maximum benefit, the increase means that the maximum benefit is $66,000 payable to a beneficiary of an insured member under age 30 (26 in New Jersey and Ohio) up from the previous $60,000.

Insured Legionnaires Pay Dues Early

The insurance plan is underwritten by two large and reputable companies—in New York and Puerto Rico by The United States Life Insurance Company in the City of New York; and in all other areas by one of the largest companies in North America, Occidental Life Insurance Company of California. Membership stability is evidenced through the continuing heavy enrollment of membership in the plan with early membership renewals reported in posts as a result of this increasing participation. Insured legionnaires are now apt to be the first to pay advance membership so as to continue insurance protection.

Thousands of new members have been reported among eligible veterans seeking full advantage of their new American Legion memberships by participating in this low-cost life insurance plan, which is a benefit to members only.

Claims

A dominant feature of The American Legion Life insurance plan is in the benefits paid to the loved ones of deceased insured legionnaires. In twenty years, claims were paid amounting to $25,802,358 in benefits. These benefits were paid at no cost to the national organization of The American Legion and no expense to the membership. It can be properly reported that the insurance plan has proven to be a self-sustaining program. There is little doubt that before the end of 1978, the total benefits paid will be well over twenty-seven million dollars.

Claims report, January 1, 1978

1958	$78,790	1969	1,489,100
1959	159,410	1970	1,672,521
1960	221,545	1971	1,955,909
1961	257,970	1972	1,839,294
1962	393,020	1973	1,917,345
1963	561,575	1974	2,151,480
1964	672,250	1975	2,096,983
1965	730,910	1976	2,598,185
1966	976,474	1977	2,662,192
1967	1,230,968		
1968	1,376,243	Total claims paid	25,042,164

Premium Growth

The premium growth is even more remarkable. Premiums or contributions paid for life insurance protection exceeded $4,000,000 for the calendar year of 1977. It is interesting to note there are hundreds of commercial life insurance companies with far less than four million dollars in annual premium. There are approximately 1800 life insurance companies in the United States. The American Legion life insurance plan ranks very high and is in the top 30 percent as far as amount of insurance in force.

Premium growth, 1958–1977

1958	$342,000	1968	2,016,073
1959	390,000	1969	2,066,583
1960	414,000	1970	2,174,070
1961	450,000	1971	2,669,473
1962	840,000	1972	2,919,409
1963	1,178,000	1973	3,216,594
1964	1,300,000	1974	3,415,618
1965	1,412,305	1975	3,539,989
1966	1,652,883	1976	3,882,104
1967	1,829,728	1977	4,367,713

The American Legion Life Insurance Trust

Under the provisions of the trust agreement, an insurance trust is established for all States but: Illinois, North Carolina, New Jersey, Ohio, Texas, Wisconsin, and Florida. In these States, because of State laws, they are not included under the trust agreement.

At the close of each calendar year, after claims have been paid and all administrative costs deducted, the remaining premiums are transferred to the insurance trust. There is presently over two and one-half million dollars in The American Legion life insurance trust fund. The trustee is the First National Bank of Kansas City, Missouri. The trustor is The American Legion.

Promotion of the Insurance Plan

During the past fifteen years, the promotion of the insurance plan among members has been in three forms: first, through repeated direct mailing of applications; second, intensified advertising in The American Legion Magazine, Advance, and department publications; and third, by the director, an employee who works with departments, districts and posts throughout all States. Department conventions, district seminars and conferences are attended for the promotion of the plan. During 1978 approximately four million applications mailed to legionnaires. From October 1977 through September 1978, the following ads were or will be placed in The American Legion Magazine at a cost of approximately $160,000: October—Full Page, November—Insert and Full Page, December—Two Pages, (1977); January, February—Two Pages, March—One Page, April—2 Page Color Ad and Insert, with similar ads being prepared for months of May, June, July, August and September, 1978.

Continually, since 1958, less than five percent of the insured members fail to renew insurance each year. Every year, on or about October first, tens of thousands of legionnaires are requested to report next year's membership card number and make insurance remittance before January first of following year. It provides early membership renewals. As the program grows, so will these many advantages magnify themselves throughout The American Legion.

All American Legion posts are urged to contact The American Legion life insurance plan, 222 North Dearborn Street, Chicago, Illinois 60601 to learn how this remarkable life insurance does provide low-cost protection for members. This insurance is especially attractive to the Vietnam era veteran who joins The American Legion.

FOREIGN RELATIONS COMMISSION

DR. ROBERT P. FOSTER, Missouri, *Chairman*

FRANK A. MANSON, Oklahoma, *Counsellor*

The following annual report covers the activities of the Foreign Relations Commission and Council of The American Legion for the 1977–78 program year ending June 30, 1978.

Preamble

The American Legion's resolutions support our alliances with friendly nations and have sought to strengthen and expand friendships with other nations. They have opposed Soviet colonizations by Cuban proxy in Africa and the myriad forms of Soviet imperialism which continues to emerge around the world.

U.S.-Soviet Relations

The Soviet Union and the communist ideology continue as threats to the peace and security of the United States and the non-communist nations. The gravest threat to security is the Soviet arsenal of weapons, trained military manpower, and agents operating under the umbrella of a communist ideology. Despite three decades of communist confrontations and the unchanging patterns of communist aggression labeled "liberation" movements, the Western powers seem to remain oblivious to the subtleties to communist encroachment on our system's free institutions.

Is the Balance of Power Shifting?

Soviet strategist and critics of U.S. detente policy toward the Soviet Union would agree that the two superpowers are nearing the razor's edge in the balance of total power. The Western nations still retain a preponderance of economic and technological power, but recent statistics indicate the Soviet Union and Warsaw Pact countries may be edging closer to quantitative military supremacy. The quality of military supremacy is usually determined during conflict, although NATO commanders report that Soviet gunners and missile technicians are now shooting with "uncomfortable accuracy."

Rationale for assisting Soviet development.—Two schools of thought exist on credit assistance and trade programs with the Soviet Union. The first thought is the more we help the Soviet Union, the more we endanger our own survival. This reasoning is based on the old Khrushchev prophecy that the communist system will bury the capitalists. Detente has come to have two meanings.

During the summer of 1973, Brezhnev defined the "international relaxation of tensions"—the Soviet term for detente—to the members of his Politburo as follows:

"We communists have got to string along with the capitalists for a while. We need their credits, their technology, and their agriculture. But we are going to continue a massive military buildup and by the middle 1980s we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West."

Consistent with this outlook is the view that every U.S.-Soviet deal—and especially the transfer of technology and sophisticated capital equipment—is an act of international politics. It becomes so also owing to the communists' use of trade as a political tool to advance their strategic objectives.

The other school of thought about competing with the Soviet Union is articulated by former Secretary of State Henry Kissinger. The theory is that if the Soviet threat becomes sufficiently developed, the politburo will not wish to risk war, particularly nuclear war and total destruction, and that an abundance of worldly goods will suggest that a policy of restraint and accommodations in the Soviet interest.

When Secretary Kissinger introduced the new era of East-West commerce, he called it "economic detente". It was based on the linkage of the superpowers economies. The linkage would involve extending to the Soviet Union a vast amount of subsidized credits, the transfer of sophisticated technology, export of grain, development of Soviet mineral resources, and by the U.S.-Soviet joint ventures in the under-developed countries of the Third World.

The American Legion's Position

The American Legion's position is clearly stated in Resolution 191 which is published in its entirety as follows:

SUBJECT: SOVIET-AMERICAN RELATIONS

Whereas the United States Government is currently trying to persuade the Soviet Union's leaders that one nation cannot and should not attempt to impose its system or its society upon any other nation; and

Whereas the communist world continues to seek the overthrow of every non-communist government and to use every means to that end, including political subversion, assassination, sabotage, terrorism and outright aggression; and

Whereas to meet this continuing threat to non-communist nations, it is believed essential that the United States extend its assistance to nations that are experiencing psychological, political, and military pressures by the communist forces; and

Whereas the United States should be as definite and consistent in the application of anti-communist policies as we are in opposing the theories of such policies; and

Whereas Mozambique, formerly a Portuguese Colony, and Angola, a former Portuguese Colony, and Ethiopia, a monarchy once friendly to the United States are now governed by pro-Marxist leaders; and

Whereas the Communist Party of the Soviet Union (CPSU) continues to concentrate its efforts on other nations throughout the world; and

Whereas communist parties within Italy and France continue to gain support and seriously challenge other political parties for national control; and

Whereas that realizing our lack of effective resistance to communist aggression will inevitably result in our ultimate encirclement and enslavement; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Denver, Colorado, August 23, 24, 25, 1977, That we deplore such communist aggression and urge the United States Government to use its influence and persuasive powers to deter further aggression and to prevent any further communist expansion; and, be it further

Resolved, That such policies be well publicized and consistently implemented by all agencies of the United States Government.

The United States, during the past 18 months, has exercised restraint in dealing with the Soviet Union. Specific restraining actions include:

A U.S.-Soviet "joint communique" invited the Soviets to play a larger role in Israeli-Arab diplomacy;

U.S. withdrawal from South Korea was begun;

Partial diplomatic relations with Cuba were resumed, and negotiations were opened with Vietnam;

Barriers against private visits to the U.S. by foreign communist leaders were lowered;

The B–1 bomber was cancelled;

The development of the MX and cruise missiles were delayed;

The Minuteman III assembly line was closed down, and neutron weapon production was postponed;

U.S. proposals in the Strategic Arms Limitations Talks (SALT) for major mutual reduction in nuclear weaponry were shelved;

Despite a burgeoning Soviet arms build-up and promises to our NATO allies that we would spend more, U.S. defense spending was increased by only 1.8 percent;

Aid has been scrupulously withheld from the popular UNITA faction in Angola;

The U.S. has scorned the internal solution in Rhodesia, and has tried to satisfy the communist-backed guerrillas; and

After some initial boldness by President Carter, we now hear less and less criticism of Soviet human rights violations.

How have the Soviets responded to this American restraint? They have maintained ideological hostility toward our Western democracies. They have worked to undermine the "Sadat initiative" in the Middle East. They have continued a vast arms build-up. Soviet generals commanded the Cuban and Ethiopian forces in Ogaden, and may do so again in Eritrea. The Soviet Union is working to undercut a just and peaceful solution to the conflict in southern Africa. The Soviets were involved in a pro-communist coup in Afganistan. They have launched a campaign of repression against their own dissidents.

In brief, Soviet leaders have not been restrained, rather they have used our U.S. restraint as an invitation to assert themselves.

The President's commencement address at the Naval Academy presented a firmer stance toward the USSR. Hopefully, this position will be supported throughout the Administration.

Factual analysis of the technological competition.—The term "technology" is not a catchy word. Many people do not know what it means and for that reason, the Foreign Relations Commission members have studied the implications of technological competition which involves the broad spectrum of economics and military systems.

As of 1978, the key to the survival of the United States is its technological supremacy over the Soviet Union. American security, like the American economy, stands on a foundation of technological superiority. We need superiority in defense technology. First, because the openness of our society tells our adversaries what we are planning in military operations, we traditionally depend on superior quality to compensate for inferior numbers. Second, in order to interpret vital but fragmentary technical intelligence information, we must have extensive prior experience in the area.

The United States continues to hold its technological lead over the Soviet Union in many critical areas vital to our national security, but the lead has been diminishing. In some very important areas, it is gone. In some areas the Soviets are ahead, such as directed energy weapons using laser beams or charged particle beams. In examining the current technology balance, most analysts agree the USSR is making a large and determined effort and that the Soviets have a technological lead relative to ours in important areas, such as already mentioned high-energy laser beam devices, charged-particle beam weapons, surface-effect vehicles, and anti-personnel pressure weapons.

During the past ten years, the technology outflow to communist dominated countries has dramatically increased. The amount of significant technology that has been transferred and its impact on the military capability of the communist countries, particularly the Soviet Union, is not known at this time. The American Legion's concern is that the transfer of militarily significant technology has been of major proportions; that the USSR has narrowed the gap in its relative weapons capability with the United States to our detriment. The change will most likely become evident over the next five years. Unfortunately, by the time it becomes evident, it may be too late to reverse the situation.

Senator Henry Jackson wrote President Carter on July 25, 1977 that the effect of our past and current policies on transferring technology to the Soviets and their allies was having an important bearing on the military balance between East and West. "In my judgment," wrote Senator Jackson, "our condition can best be described as acute hemorrhaging".

Soviet desire for Western technology is staggering. Governments of the Soviet bloc have set up more than 800 joint manufacturing ventures with Western firms in the past decade. According to figures from the Economics Commission for Europe of the United Nations, about 300 contracts on industrial cooperation were signed between communist governments and Western firms in the period from July 1975 to July 1976, and the trend continues.

New plans in three branches of industry—mechanical engineering, chemicals and transportation, all of which are essential to the Soviet Bloc's military effort—account for about two-thirds of the total. The Soviets have purchased nearly 1,000 "turn-key" plants, ready-to-go manufacturing facilities with a training program for managerial and technical staff. Total Western exports to the communist countries in 1974 were about $25 billion; in 1975 the same export value rose to $31 billion and in 1976 total Soviet trade with the free industrialized countries was $24 billion.

The problem with selling technology is that it can be transferred from something innocuous to something deadly. For example, nuclear reprocessing plants may produce plutonium for bombs as well as for fuel. Technology for the production of wide-body aircraft can contribute to military airlift capabilities as easily as to civilian transportation. The equipment for producing circuits used in pocket calculators may also be used for guidance computers of missiles. New technology used in medicine may have highly important military or intelligence applications. Computers for processing seismic signals in geological explorations might also be used to process sonar signals in antisubmarine warfare. Capabilities for launching communications satellites may be used for military missiles. The technology for high-bypass turbofan engines and high inlet temperature turbines can be used in military as well as civilian aircraft. And NASA's "joint ventures" in space exploration will inevitably help Soviet experts to run their military space program.

Since the USSR has virtually no creative or innovative capability within its entire industry, the Soviet leaders have been able to get what they want from Western nations, and to do this, they are utilizing an estimated $60 billion of credit extended to them by these same Western nations.

And the list of technological transfers from the Western nations to the communist government goes on. The end result is anyone's guess but the final act could be a grim curtain for the entire capitalistic system which may do exactly what Kremlin leaders have forecast, commit its own self destruction. This year's resolutions are aimed at reversing communism's gain and capitalism's losses.

Nuclear Proliferation

Because nuclear weapons have proliferated during the past 30 years, in sufficient quantity and with deliverable certainty to destroy civilization, the need to continue negotiations between the superpowers is self-evident.

Another factor having a profound effect on international thinking and diplomacy was the effort to halt open air nuclear testing. United States and Soviet leaders agreed that a start had to be made toward finding peaceful solutions toward the highly orchestrated differences between the open and closed societies, between communism and capitalism, something other than nuclear holocaust.

Because of the ever broadening threshold of nuclear dangers, SALT (Strategic Arms Limitation Talks) were continued during the past year. The new words "detente" and "negotiation" were questioned as Soviet power increased and U.S. power diminished. Still it seemed desirable to find substitutes for "confrontation" and a return to cold war tactics.

Basic misunderstandings continued between the U.S. and Soviet leaders on what was meant by detente and negotiations. U.S. leaders in the Carter Administration considered detente as an era for lessening tensions and taking no actions which would offend the vital interests of the Soviet Union. Soviet leaders, however, continued to regard detente as an era when the struggle of liberation from capitalism should be stimulated and encouraged, not only in Europe but in Africa, the Western Hemisphere—in fact, in all nations whose free will and free vote entitled it to the self-enslavement of communism if it chose. The problem was that communist doctrine was not just a political dogma to be accepted or rejected by the free will of an electorate. Communism, in fact, involved all the elements of class struggle and low-grade warfare; political, psychological, economic, terrorism, division of institutions, destruction of families, communities, guerrilla theater as the communists like to call all forms of violence and mental coercion they have developed over the past 60 years.

Legionnaires in some 17,000 Posts in the United States learned to detect the footprints of communism wherever and however they appeared, and their resolutions reflected their knowledge and vigilance. It was against this backdrop that The American Legion reviewed its positions on U.S. foreign policies for 1978.

The year 1978 saw the Soviets gain stronger footholds in newly independent African countries such as Angola, Mozambique, and Ethiopia. Communists look at the world as a chessboard. Whether the communist target is a handicapped, developing Third World state, whether it is a sophisticated Western nation experiencing economic difficulty, makes no difference. The United States as the free world leader has an obligation to live up to its commitment, both for self-preservation and to help all who are experiencing psychological, political and/or military pressure from communist forces.

All of the 17 resolutions passed at the 1977 National Convention on foreign affairs dealt with the problems and challenges caused by the spread of communism. The Foreign Relations Commission, and indeed, the entire membership of the Legion, recognizes that East-West relations have become increasingly complex during the past few years with such factors as competitive economic considerations; competition for energy and mineral resources; and competition in merchant shipping becoming part and parcel of the bargaining between the superpowers. These considerations, along with the harsh realities of communist sponsored terrorist activities, poltical espionage and subversion within the U.S., the shifting balance of military power toward the Soviet Union, have made decisions increasingly difficult for the United States.

President Carter has stated that, "Our approach to East-West relations must be guided both by a humane vision and by a sense of history. Our humane vision leads us to seek broad cooperation with communist states for the good of mankind. Our sense of history teaches us that we and the Soviet Union will continue to compete. Yet, if we manage this dual relationship properly, we can hope that cooperation will eventually overshadow competition, leading to an increasingly stable relationship between our countries and the Soviet Union.

"The United States is now discussing with the Soviet Union ways to control strategic arms. By involving the Soviet Union in a continuing effort to reduce and eventually to eliminate nuclear weapons, we hope not only to minimize the risks and costs of continuing arms competition but also to promote broader cooperation between our countries".

At a speech before the graduating class at the U.S. Naval Academy in 1978, President Carter toughened his stand toward the Soviets and he was particularly strong in his statement that the Soviet-Cuban operation in Zaire had threatened the efforts for peace in Africa. The Legion shares the hopes of President Carter for a peaceful co-existence. Nuclear war is surely not the answer to ideological conflict. Neither is the surrender of democratic values. Freedom and human rights cannot survive in a socialist or a communist totalitarianism. The Legion policies are based on the absolute resolve for firmness in policy plus sufficient power to make the U.S. position credible.

Meetings of the Foreign Relations Commission

Fifty-four members of the National Convention Committee met on August 21, 1977 preceding the 59th National Convention at Denver, Colorado. The Committee was organized and elected Dr. Robert P. Foster (Mo.), Chairman. It elected William G. Kays as Vice Chairman and C. Alvin Hoffman (Mexico) as Secretary. The Committee was subdivided into six (6) ad hoc subcommittees as follows:

General Foreign Policy—Joseph H. Ellinwood, Chairman.
African Affairs—E. Dean Hunter, Chairman.
Far Eastern Affairs—Dr. A. J. Forestiere, Chairman.
Inter-American Affairs—Donald S. Houser, Chairman.
Middle East Affairs—J. Alvis Carver, Chairman.
Treaties and Agreements—J. Alvis Carver, Chairman.

The six subcommittees considered a total of 92 resolutions submitted by 19 Departments and disposed of them as follows:

Approved resolutions	17
Consolidated	59
Referred	11
Reject	3
Received and recorded	2
Total	92

Consolidated resolutions were included and made an integral part of approved resolutions and they were in harmony with those resolutions approved by the convention. Referred resolutions either were returned to the originating Department for further documentation or retained by the Standing Foreign Relations Committee for further study and research.

National Executive Committee Meeting, October 5–6, 1977.—A 12-member executive section of the Commission and Council met in Indianapolis, Indiana, October 5–6 to consider eight (8) resolutions which had been referred by the National Convention or submitted by Department Executive Committees.

Seven resolutions dealt with the subject of the United Nations organization and were referred to the American Legion's U.N. Panel, pending the panel's final report scheduled for the National Convention of 1978. The Commission also considered one resolution calling for statehood for the U.S. Canal Zone and for retention of the Panama Canal by the United States. Because a Panama Canal resolution had been passed unanimously by the National Convention in Denver, the Commission determined that a portion of the resolution was redundant, and after full discussion of the pros and cons, decided to dispose of the statehood aspect of the resolution administratively.

Washington Conference, February 21–23, 1978.—Highlights of the 18th annual Washington Conference included a meeting by the entire Commission and Council and was joined by other commissions to hear the late Senate James Allen and Senator Strom Thurmond speak against the Panama Canal treaties. They warned that ratification would endanger the national security of the United States.

Following the joint session, the remainder of February 21 was spent on briefing and lectures from expert witnesses on United States-South African relationships. The first speaker, the Honorable Lannon Walker, Deputy Assistant Secretary of State for African Affairs, briefed our group on U.S. policies in Southern Africa.

Then Mr. Fred Stokeld, Director of International Policy for the U.S. Chamber of Commerce, spoke on U.S. corporate interests in South Africa and how U.S. businesses are doing their best to maintain good relations between themselves, their employees and the communities where they operate. Mr. Donald E. deKieffer then gave a 19-minute slide presentation on the economic and military relationships between the United States and South Africa. This presentation has been duplicated and will be made available to Legion audiences throughout the country.

Two speakers came to the Commission from the Republic of South Africa: Major General Neil N. Webster, who spoke on the strategic importance of South Africa to Western Civilization; and Ms. Gay Nalbantis, who spoke on political issues which will require the highest order of statesmanship if the free world is to prevail over the communist threat against Southern Africa.

On the morning of February 22, the Commission heard from Mrs. Billie Martin on the role and work of the American Legion Auxiliary. The final speaker before the Commission was former Senator Gale McGee, who spoke in favor of Senate ratification of the two Panama treaties which would relinquish ownership, jurisdiction, and control of the U.S. Zone and the Canal to the Panamanian government.

National Executive Committee, May 3–4, 1978.—Fifteen members of the Foreign Relations Commission and Council met in Indianapolis, Indiana on May 1–2 to consider resolutions for presentation to and approval by the National Executive Committee.

The Commission members considered four (4) resolutions which were properly before them. Of the four (4) resolutions presented by the Departments, one was adopted by the National Executive Committee.

The National Executive Committee was familiar with the comprehensive resolutions concerning the U.S. Canal Zone and the Panama Canal which were passed by the National Convention assembled in Denver in August, 1977.

The National Executive Committee was advised that the two treaties which had been before the U.S. Senate, one dealing with the neutrality of the U.S. Zone, and the other dealing with the transfer of sovereignty, control and jurisdiction from the U.S. to Panama, had been ratified in the Senate by a vote in each case of 68 to 32. However, the Constitution provides under Article IV, Section 3, Clause 2 that "The Congress shall have power to dispose of and make all needful Rules and Regulations respecting the territory or other property belonging to the United States . . ." and, of course, Congress includes the House of Representatives. Resolution No. 445 of the 59th National Convention resolved "That The American Legion rejects the actions of the Executive agencies of the Federal Government in attempting to by-pass the Constitution of the United States, and we fully support Article IV, Section 3, Clause 2, of the Constitution which provides that only the Congress has the authority to dispose of United States territory." 175 members of the House of Representatives have now signed a discharge petition on this matter and only 218 Congressional signatures are needed to get this Constitutional issue before the House.

The resolution approved by the NEC involved the Strategic Arms Limitations Agreement, the SALT II negotiations. The Foreign Relations Commission urged this administration to retain sufficient strategic power to deter nuclear attack against the United States. It urged the United States Senate to oppose any SALT Treaty which makes the United States inferior to the Soviet Union.

Two additional subjects were covered by the Commission: the U.N. Panel report on the United Nations and a report on conditions in Southern Africa.

U.N. Panel Work Completed.—The U.N. Panel, established as a result of National Commander William Rogers' request at the National Convention in Seattle, Washington has now completed its report. This report has been submitted to National Commander Robert Charles Smith for his consideration and any action he deems appropriate. The NEC was so advised.

During the spring meeting, a full verbal report was made to the Commission and Council on the findings of the Foreign Relations Commission's members who recently visited several nations in Southern Africa, including South Africa, Rhodesia, Southwest Africa, and Transkei. The report discusses the effects and impact of U.S. foreign policies toward that area, many of which were activated by the U.S. State Department. The report covered the economic, social, political and military aspects of each nation's relationship with the United States. The report concluded that resolutions passed by the National Conventions in Seattle and Denver were based on sound judgments and recommended a reconfirmation of those mandates. The report was endorsed unanimously by the Commission and Council who recommended that immediate steps be taken to implement the report.

United Nations Panel Meetings

Two members and the Chairman of the Foreign Relations Commission (Dr. Robert P. Foster; J. A. Carver and Joe Ellinwood) and two staff members (Michael Schlee and Frank Manson) met April 26, 1978 in Washington, D.C. to finalize their work on a study of the role of the United States in the United Nations as requested by National Commander Rogers at the National Convention in Seattle. Other members of the U.N. Panel appointed by the National Commander include Past National Commander Joe Matthews; Ambassador Henry Cabot Lodge; Dr. Francis W. Wilcox; Bernard Goldberg; Henry King; Frank Brandstetter and Governor Terry Sanford. Dr. Richard Fulton of Northwest Missouri State University was hired to draft the final report which was approved on April 26.

The United Nations study was conducted on an orderly basis. Special emphasis was given to fiscal responsibility and management and the handling of the U.N.'s monetary resources. The fiscal report, including numerous recommendations, will be presented at the New Orleans National Convention in 1978.

One of the more significant recommendations in the report is that the Foreign Relations Commission is charged with the responsibility of an annual review of the United Nations to ascertain whether or not improvements are being made in accord with the recommendations.

South African Survey

Because of the importance of Southern Africa to the security of the United States, a group of Legionnaires made an on-the-spot survey and is reported fully by Dr. Robert P. Foster.

A five-man fact-finding delegation completed a multinational tour of the southernmost regions of the Dark Continent. Nations visited included the Republic of South Africa, Rhodesia, Southwest Africa (Namibia), Transkei, Boputhatswana and the Kingdom of Swaziland.

The delegation included former National Commander Joe Matthews; Foreign Relations Commission members Joseph Ellinwood and J. Alvis Carver; Counsellor Frank Manson and the Chairman of the Foreign Relations Commission. The delegation saw a wide spectrum of Southern Africa's current profile. We saw examples of the major industries: gold, manganese and aircraft factories. We visited black townships such as Soweto. We went to the front lines, in both Rhodesia and Namibia, and talked to the soldiers, black and white alike, whose artillery and rifles were within plain sight of Communist guns. Some were less than 300 yards away. We saw Rhodesian housewives, loaded pistols strapped to their waists, going grocery shopping in Umtali, Rhodesia. We saw captured weapons from Communist countries such as the Soviet Union and Czechoslovakia. We were told that new Dodge trucks paid for by U.S. foreign aid money were carrying much of the Communist equipment to the front lines to kill friendly moderate blacks living peacefully on their tribal trust lands. We saw evidence of terrorist massacres as brutal and savage as anything experienced in World War II, Korea or Vietnam. On display boards in Salisbury were captured U.S. weapons such as landmines, hand grenades, M-1s and 75 MM recoilless rifles. These were captured from Communist terrorists coming into Rhodesia from Zambia and Mozambique. Soviet weapons were coming into Southwest Africa from Angola. We talked to captured terrorists and U.S. citizen soldiers fighting under Rhodesia's flag to oppose the Communist enslavement of this friendly but boycotted nation.

South African industrialists showed us their aircraft production lines, where in their words, "We are reinventing the wheel," because U.S. firms are not permitted to sell us aircraft. We talked to black supervisors working in American industries such as Union Carbide, blacks with new homes, new schools and new opportunities, living in sharp contrast to the stories propagated by liberal and left-wing writers and publishers in western countries.

Most importantly, we talked to Southern Africa's national leaders, Prime Minister Vorster, and Ian Smith, and their top cabinet officials. All were troubled, frustrated, and some were angered by U.S. meddling and the U.S. government's failure to understand their approach to the self-determination and independence for the homelands. This approach would perpetuate and preserve the ethnic groups, their values, cultures and traditions. Please get off our backs, they asked. Many told us, the blacks, whites and coloreds, that their problems and solutions were South African in nature. They were complex much more so than U.S. racial problems.

They said things were continuing to improve. And they warned of Soviet-Cuban threats from Northward pointing toward South Africa!

The delegation concluded that The American Legion's policy stated in Resolution No. 108 was sound and justified. In summary the Resolution states that the Republic of South Africa is now embarked on a national policy to provide self-determination and independence to the peoples of common heritage, traditions and cultures; that within 10 years, South Africa is expected to replace Canada as the Western world's second largest producer of uranium and other minerals; and, that although the country represents only 6 percent of Africa's land area, the Republic of South Africa produces over 40 percent of Africa's entire industrial production and 25 percent of all Africa's agricultural production.

The Republic of South Africa represents a key country in the Soviet plan to recolonize Africa, under the Soviet sphere of influence. Soviet propaganda makes no secret of its effort to set up a constellation of pro-Soviet Marxist states throughout Africa and pro-Marxist governments have been recently established in Angola and Mozambique and Ethiopia.

Since the Soviet Union is already amply endowed with raw materials, Soviet leaders now wish to combine the mineral resources of South Africa with their own and either deny these minerals to other non-communist nations or sell them at Soviet prices.

In a strategic sense, 60 percent of Western Europe's and U.S. oil supplies pass around the Cape of Good Hope annually, making these waters of strategic importance to all the recipient nations, especially Western Europe and the United States. The American Legion's policy urges the United States to politically and militarily assist the Republic of South Africa in repulsing the spread of communist imperialism on the African Continent. It urges military cooperation. It recommends the U.S. Navy reintroduce regular naval maneuvers with the South African navy and fully utilize South African port facilities including the former British naval base at Simonstown. It recommends that the United States Government encourage American investment in the Republic of South Africa to assure continued and expanding American access to vital raw materials including, but not limited to, gold, chromium, iron, vanadium, copper, lead, zinc, cobalt and industrial diamonds. It encourages investment in such fields as agriculture and commerce. In the field of human rights, The American Legion believes that the Republic of South Africa should be held to no different standards than those applied to any other country in Africa or elsewhere. In summary, The American Legion encourages and supports an urgent nation-wide educational program on the increasing importance of the economic, political and military significance of the Republic of South Africa, and the national interests of the United States.

In the conclusion of my report on our trip to the National Commander, I made 11 recommendations, all supporting the Legion's mandate on South Africa. These recommendations are unanimously supported by the 5-man group making the trip.

Panama Canal Battle

The American Legion put up a determined effort to prevent ratification of the two Panama Canal treaties. National Commander Robert Charles Smith made numerous appearances in Washington, both during formal hearings and for unofficial brainstorming sessions in an effort to keep the Canal and U.S. Canal Zone.

Panama Canal "Point Papers" were sent out to the Department and Post levels. Hundreds of thousands of letters were written, telegrams sent, telephone calls made, radio tapes were mailed. All of the multifaceted efforts were timed to try to prevent ratification of the treaties. For the Legion it was an all-out, all-hands battle. The Senate vote was close, but both treaties were ratified by the Senate and President Carter has subsequently signed the instrument of ratification with General Torrijos. The eventual outcome of the battle cannot be written into this report.

Panama Canal Truth Squad.—In an effort to inform the American people about the facts on the two treaties on the Panama Canal, The American Legion joined a number of Senators and Congressmen in a nation-wide effort to give the people the facts.

In the initial effort stops were made in Miami, Florida; St. Louis, Missouri; Denver, Colorado; and Portland, Oregon. Dr. Robert Foster joined the squad in St. Louis and National Commander Smith joined the effort in Denver along with the former Governor of California, Ronald Reagan. Counsellor Frank Manson accompanied the squad on the entire trip.

A follow-up trip was made across country just prior to the vote in the Senate. This trip was accompanied by Phil Riggin, Assistant Director for Legislative Affairs. Unfortunately the trips were to no avail as the U.S. Senate ratified both treaties by an identical vote of 68–32.

Current Panama Canal Situation Report.—As of June 1978, the Panama Canal debate is far from terminated. The Brooke Amendment to the Senate resolution of Treaty Ratification, adopted April 17, 1978 by a vote of 84–3, provides that the exchange of the instruments of ratification shall not be effective earlier than March 31, 1979, and that the treaties shall not enter into force prior to October 1, 1979, unless the Congress enacts implementing legislation before March 31, 1979. Thus, the debate has now shifted from the Senate to the House, for, under the Constitution, the power to dispose of territory and other property of the U.S. is vested in the entire Congress, which includes the House.

At stake is not only the Panama Canal and the Canal Zone but also the Constitutional authority of the House of Representatives and, indeed, of the Congress itself, in the exercise of its functions.

The first major step in the assertion by the House of its Constitutional authority on the Canal issue was the introduction on September 9, 1977, by Rep. George Hansen of Idaho and John M. Murphy of New York, of H. Con. Res. 347. This resolution is intended to prevent implementation by the Executive of the treaties prior to action by the House. This resolution now has 241 co-sponsors, which is more than a majority of the House membership. To free the resolution for an immediate vote in the House, there is being signed at the Speaker's Desk, Discharge Petition No. 6 which now has 191 signers of the necessary 218.

Meantime, Representative Hansen on May 9, 1978, introduced an amendment for the U.S. Government Budget for 1979 to prohibit the unauthorized funding of the give-away treaties. This was adopted by the decisive vote of 231–170 and later accepted by the Senate.

On May 10, Hansen introduced H. Res. 1175 opposing an exchange of instruments of ratification earlier than March 31, 1979 unless implementing legislation is enacted prior to that time and the conveyance of any real property and improvements thereon in the Canal Zone without specific Congressional authorization. A similar resolution was introduced in the Senate by Senator Brooke.

On May 24, the House adopted another Hansen amendment by a voice vote of 61 to 35 to deny the use of any Department of Defense funds in support of implementation of the treaties not authorized by the Congress. On May 31, a third Hansen amendment to the Foreign Relations Act for 1978 prevents use of federal funds to implement the Canal treaties without specific authorization by the Congress. This amendment was approved by a vote of 203 to 163.

In commenting on this series of three legislative victories, Rep. Hansen is "convinced the House is firmly committed against any give-away of the Panama Canal and particularly so as (it) face(s) a determined electorate in this year's election incensed over the Senate's give-away actions." Rep. Hansen and his House colleagues are not alone as they repeat a slogan now being widely circulated, "Remember Our Canal."

The American Legion's Position on Foreign Policy Issues

Because the Soviet Union and Warsaw Pact nations remain the primary security problem for the United States, The American Legion supports foreign policies designed to discourage and checkmate any expansionism which would upset the delicate balance that now exists between the so-called superpowers and their respective power alignments.

Mindful that the Soviet leaders have, during the 25th Congress of the Communist Party of the Soviet Union, interpreted detente as a period of encouraging national liberation and Cuba's Fidel Castro was especially praised for his "transcendental" role in the "liberation struggle", the American Legion has taken a careful look at our Western Hemisphere. One area of concern has been the Caribbean in view of the Administration's move toward normalization with Castro's government in Cuba, and in view of the continuing efforts to give away the U.S. Canal Zone and Canal.

The American Legion's foreign relations policies are concentrated in five regional areas as follows: Inter-American Affairs; Far Eastern Affairs; Africa and the Middle East; Europe and NATO; and the United Nations.

Communist Aggression in Latin America.—The American Legion has evidence that some communist-led governments are still trying to probe and penetrate the nation's of Central and South America; that subversive elements are at work in several Latin countries, including Panama and Chile who so recently overthrew a communist regime.

Far East.—The American Legion supports the maintenance of strong ties and mutually supportive agreements with Japan, Asia's most powerful industrial nation; the Republic of China (Taiwan), a close friend of the United States and a nation who symboilzes the success and progress of the free enterprise system; the Republic of Korea who has emerged from the rubble of North Korea's tanks and infantry of 26 years ago to become one of the new and dynamic, capitalistic powers of Asia; and the Philippines where U.S. naval and air power are based for numerous strategic contingencies. The Legion strongly supports retention of U.S. troops in South Korea as long as the North Koreans remain a threat to Pacific stability.

The American Legion supports peace and trade with the People's Republic of China (Peking) but under no circumstances does the Legion believe the U.S. should lessen its commitment and support for the Republic of China (Taiwan) as stated in Resolution 316 and passed by the National Convention at the Denver meeting in August of 1977.

Africa and the Middle East.—Specialized steel industries require chromite. That is one of the primary reasons The American Legion is taking a new look at Africa. The Legion has historically concentrated on Europe and Asia. Now, we are turning increased thinking toward essential raw materials found in Southern Africa. We had to do this in our own national interest. In Rhodesia, for example, it is estimated that nearly 70 percent of the high grade metallurgical chromite is located. This is the primary source of high grade stainless steel, jet engines, space vehicles, surgical tools. Our specialized steel industries would be hopelessly crippled without high grade chromite. Enriched uranium and copper mines are also abundant in Southern Africa, and both are critical to U.S. commercial and strategic needs.

The survey of The American Legion advance group saw sufficient evidence to support the foregoing.

The Denver Convention passed strong resolutions opposing Soviet-Cuban colonization of Africa and supporting U.S. policies whose purpose is to maintain trade and friendship with the African governments. The Soviet Union and its advance man Fidel Castro have continued to play a dangerous game in Africa the most recent being the invasion of Zaire by Katangon rebels killing hundreds of blacks and whites alike in a senseless killing spree. Our U.S. job should be one of discouraging and restraining their reckless adventurism.

The American Legion is mandated to urge the U.S. Government to remain balanced in its African policy, and to refrain from encouraging hostilities which could eventually inflame that entire continent. Governments who can provide prosperity and economic well being South of the Sahara, where starvation has killed millions in recent years, should be encouraged.

At the August 1977 meeting in Denver, Colorado, Resolutions 7 and 102 encourage and support an urgent nation-wide educational program on the increasing importance of the eeconomic, political and military significance of the Republic of South Africa and the national interests of the United States.

Middle East and Persian Gulf States.—While The American Legion believes the United States should hold a steady course in maintaining its friendship and support for Israel, there is also the necessity to maintain friendly and cooperative relationships with the Arab states, and especially the oil producing nations.

With energy becoming ever more important to the future security and safety of the United States, the Commission determined that the U.S. Government should work toward a spirit of restraint, friendship and cooperation with oil producing nations. There is a mutual interest here and the Legion is now mandated on our relationships with the oil producing countries.

Europe and NATO.—The American Legion continues its historic support for a dynamic North Atlantic Treaty Organization (NATO) out of the realization that NATO has brought stability and peace to Europe following the two major wars which started on that continent during the first half of this century. The Legion supports continued cooperation and support of Greece and Turkey as valuable allies and key nations in protecting NATO's southern flank. Turkey is becoming weaker because of the U.S. arms embargo instituted in 1975. It is regarded in the best interest of Greece, Turkey, the U.S. and NATO to remove the embargo and keep Turkey strong because of her long coastline bordering the Soviet Union and because of her will and strength in the NATO alliance.

On June 23, 1978, National Commander Robert Charles Smith wrote a letter to each member of Congress on the Turkish situation as follows:

"Having just returned from Europe, I am convinced that one of our Nation's highest priorities is improved relations with our NATO ally, Turkey. Such actions, including repeal of the arms embargo imposed in 1975, are in the vital interest of the United States."

The embargo has failed in its intended purpose to resolve the dispute over Cyprus. It is equally apparent that continuation of the embargo threatens the entire alliance, including Greece, whose eastern flank would be dangerously exposed if Turkey becomes unable to fulfill its assigned task in Southeastern Europe.

Turkey has maintained one of the finest field armies in NATO as evidenced by its contribution to the U.S. military effort during the Korean War. Together Turkish and Greek divisions now tie down as estimated 26 Warsaw Pact divisions and the strategic locations of these nations create an effective deterrent to Soviet advances in the Aegean/Mediterranean area. Furthermore, these countries provide sea and air gateways and a land bridge to the Middle East and Indian Ocean.

Turkey has maintained its role of active participation in the NATO alliance since imposition of the embargo in 1975 despite the lack of weapons replacements and spare parts which has undermined its military capabilities. This situation is now so serious that the security of NATO's southern flank is in jeopardy.

The American Legion has consistently supported NATO and measures to maximize the military potentials of both Greece and Turkey. We believe all NATO and U.S. bases, including those providing important intelligence data on Soviet activities, should operate in Greece and Turkey without restrictions and both nations should be provided necessary security assistance to permit them to defend NATO's southern flank.

As stated previously in this report, a UN Panel was named to study the role of the United States in the United Nations. That report will be made at the National Convention in 1978. It calls for more fiscal restraint, improved management and for The American Legion to take an annual look at progress toward improving the United Nations.

U.S.-Soviet Union relationships.—The American Legion supports all meaningful efforts to bring a lasting peace between the U.S. and the Soviet Union. The Legion supports ironclad armaments reduction wherein both sides comply in accordance with agreements. Trade and cultural exchanges are encouraged between the two so-called superpowers.

The foregoing notwithstanding, The American Legion has renewed its policy to oppose any and all forms of communist aggression whether it be in the economic, political or psychological arenas and to be fully prepared for war with the Soviet Union in an effort to insure peace. The military weakness is one of the most certain ways of inviting conflict with the Soviet Union.

The American Legion's position on foreign policy is based on the twin objectives of pursuing peaceful objectives, waging peace so to speak, and remaining prepared to protect the United States and allied territories against aggression. The Soviet Union's growing military capability, plus the military forces of Soviet bloc nations, remain a real threat to peace and international tranquility.

The Communist-Marxist revolutionary doctrine depends on the exacerbation of frictions and disputes to gain control and the tragedy is that people voting for it or accepting the closed society do not know what they have done until it's too late.

The entire Communist-Marxist doctrine is also based on sufficient military strength to achieve its objectives. Therefore, The American Legion's position with respect to SALT (Strategic Arms Limitation Treaty) and all other agreements with the Soviet Union is to maintain superiority in military power sufficient to deter aggression, and credible enough to support national policies and agreements.

Policy Supportive Actions by Officers and Staff

National Commander Robert Charles Smith has made numerous foreign policy statements and speeches to national audiences supporting the Legion's mandated positions. Additionally, he has travelled to numerous countries gathering on-the-spot and up-to-date information regarding such issues as the retention of undiluted sovereignty over the U.S. Canal Zone and maintaining the solidarity of NATO's southern flank and the over-all strength of the United States and her allies.

Commander Smith returned to the United States from an inspection tour of the Canal and the Canal Zone, more convinced than ever that the U.S. should retain its sovereignty over the U.S. Canal and Canal Zone. He made numerous speeches supporting that position.

During the long Panama Canal battle, The American Legion continued to ask the Carter Administration: Why the intensity of negotiations? Why the determined effort to move quickly? What was the urgency? Was it the United States Government, or the banking interests who have loaned Torrijos untold sums of money who were determining that it was in the best interests of the United States to keep a repressive dictator in power? The jury is still out on whose interests are best served by the Panama Canal Treaties.

American MIAs

Other Foreign Relations mandates actively supported by the Legion during the 95th Congress included an expression of the Legion's opposition to any kind of aid to North Vietnam until the problem of American servicemen missing in action and unaccounted for has been resolved.

The National League of Families of POWs and MIAs, with their main office housed in The American Legion's Washington headquarters have maintained close liaison with the Foreign Relations Commission.

Radio Free Europe

The American Legion continued to support the operation of Radio Free Europe, Radio Liberty and the Board for International Broadcasting. These radio broadcasts represent one of the most effective methods of insuring that the people of the USSR continue to have access to uncensored information which is denied both by the Soviet government's press bureaus and by its broadcasting facilities.

It should be noted in this report that The American Legion does endorse and fully support numerous policies of the Department of State; in fact, the Legion suppports that agency on most issues. It opposes only those State Department policies which are not regarded in the best national interests.

The concept of NATO for example, has the Legion's wholehearted support. Bilateral treaties of friendship, cooperation and mutual security such as those with Japan, Indonesia, the Philippines, Taiwan are all in accordance with the Legion's mandate to contain the spread of Marxist-Leninist and/or communist type governments whose avowed purpose is to destroy capitalism and the free enterprise system.

Treaties and agreements such as those with Spain, and those nations of the Middle East who oppose Communist aggression in all its many forms have historically been supported by the Legion.

In the broadcast context of foreign relations, the Legion insists on U.S. policies which protect, preserve and perpetuate the United States as a free, independent and open society. In the "give" and "get" of international agreements, Legionnaires demand that other nations including the Soviet Union, perform in accord with their promises, and that the United States remain sufficiently strong to guarantee the protection of its citizens.

Foreign Relations Commission Staff Activities

The Washington staff operates in Washington, D.C. as a combined division serving both the Foreign Relations and National Security Commissions, under the over-all direction of G. Michael Schlee. A total of six persons comprise the division staff, two of whom work primarily for the Foreign Relations Commission: Frank A. Manson, Counsellor and Jody Housenger, secretary. Miss June Bancroft, secretary to the Director, also did considerable work for Foreign Relations as did Mr. Spencer Leopard, Research Analyst, whose administrative skills proved most effective in providing source material for this annual report.

The staff services.—The Foreign Relations Washington staff during the past year performed the following functions for the Commission, the National Commander and for the Legion's 58 Departments and approximately 17,000 Posts:

1. Preparation of policy papers supportive of the Legion's Foreign Relation mandates;
2. Preparation of background papers and speeches on foreign policy matters for the National Commander, Foreign Relations Commission and individual Legionnaires;
3. Liaison with U.S. agenices in the executive branch such as the Departments of State and Commerce, and other federal agencies involved with international relations;
4. Congressional testimony on international affairs;
5. Staff assistance for major conferences and conventions including the National Convention and Washington Conference, and the Special United Nations panel;
6. Liaison with foreign diplomatic personnel as appropriate in the support of Legion mandates;
7. Preparation of speeches, articles and interviews as required;
8. Administrative duties such as answering correspondence, keeping posted on current international events and coordinating foreign affairs activities with other staff divisions such as the Legislative and Public Relations Divisions.

During the 1977–78 year, most of the liaison duties were with the U.S. Department of State and the Senate and House Committees dealing with foreign relations.

Liaison involved such activities as the preparation of briefing folders for the National Commander on various countries to be visited on his overseas schedule, arranging for speakers for conferences and conventions, gathering background research data, keeping current on changes in U.S. foreign policies, and assisting individual Legionnaires on such matters as passports, visas and immunization requirements.

Much of the correspondence during the past year has involved U.S. Canal Zone negotiations and the preparation of background material for the United Nations panel which accurately reflects conditions existing in 1978.

The staff helped to prepare and disseminate the monthly National Security-Foreign Relations Bulletin to over 1,400 readers in the Legion and Auxiliary. Copies of the Washington Report, with in-depth studies of current foreign policy issues, were sent out with the NS–FR Bulletin to supplement material prepared by the Division.

INTERNAL AFFAIRS COMMISSION

JAMES P. DEAN, Mississippi, *Chairman*

ROBERT W. SPANOGLE, Michigan, *Director*

The National Internal Affairs Commission is responsible for policies relating to the internal structure and operation of The American Legion at all levels. In addition, all resolutions and other official matters not falling within the area of assigned duties of other national commissions or committees are handled by the Internal Affairs Commission.

Four national standing committees are assigned to the commission for "supervision and coordination"—Constitution and By-Laws; Membership and Post Activities; Resolutions Assignment; and Trophies, Awards and Ceremonials. The Internal Affairs Commission is also the supervisory body for the Sons of The American Legion organization, and the commission's full-time staff at National Headquarters in Indianapolis (the Internal Affairs Division) provides staff services for the National Contests Supervisory Committee, which itself reports to the National Convention Commission.

Membership

A report of the Membership and Post Activities Committee will be found separately in this publication. The 1977 National Convention did change the Constitution and By-Laws to expand the eligibility of the Vietnam era period from August 5, 1964, to May 7, 1975.

Constitution and By-Laws

The National Constitution and By-Laws can be amended only by action of a National Convention. However, a Constitution and By-Laws Committee does review and make recommendations on all proposed amendments.

Several resolutions were before the 1977 National Convention, including the change in eligibility mentioned in the membership section of this report. The Convention did approve the recommendation of this committee to amend Article IV, Section 4, of the National Constitution and By-Laws. This change amended the delinquent date, the re-instatement date, and the forfeiture date regarding Legion membership. The new section indicates that a member's dues for the current year which have not been paid by January 1, shall be classified as delinquent. If his dues are paid on or before February 1, he shall be automatically reinstated. A member who is still delinquent after February 1, shall be suspended from all privileges. If he is under such suspension on June 30 of each year his membership in The American Legion shall be forfeited.

Trophies, Awards and Ceremonials

This committee supervises all official national awards (with the exception of those related to uniformed group competitions) and recommends to the National Executive Committee recipients of the Distinguished Service Medal, the International Amity Award and the Canadian Friendship Award. This committee also presents to the National Executive Committee its recommendations for miscellaneous awards that have been made since the last meetings of the National Executive Committee.

Resolutions Assignment

The Resolutions Assignment Committee meets only at the Annual National Convention. The committee has the responsibility of assigning all resolutions to the appropriate convention committee for report to the convention. The number of resolutions reviewed and assigned prior to the 1977 National Convention totaled more than 400, which is approximately the usual amount.

Sons of The American Legion

The Sons of The American Legion continued to grow during 1977. Final membership for 1977 totaled 32,154, a gain of 2,670 over the 29,484 final count for 1976. SAL National Conventions are held in conjunction with the National Conventions of The American Legion. The Seventh National Convention will be held in New Orleans.

Consolidated Post Reports

For the third year in a row posts of The American Legion were asked to file a Consolidated Post Report which would allow the national organization to obtain a standard report on all major programs. Forty-four percent of all posts, a gain of 4 percent over the previous year, submitted reports. Reporting posts represented slightly over 60 percent of the total membership with assets in excess of $360,808,000. All major activities showed an increase, both in dollars spent and in volunteers partcipating.

Available from National Headquarters is a summary of the full report. Reports covering the 1977-78 American Legion year will be available from National Headquarters approximately September 1.

The Energy Policy of The American Legion

The May, 1977, National Executive Committee assigned to the Internal Affairs Commission the primary responsibility for all resolutions concerning energy and environment. A Subcommittee of the Internal Affairs Commission has been formed for the purpose of researching all resolutions.

A number of resolutions have been considered by the Internal Affairs Commission. Of particular note is Resolution No. 516 which supports the concept of a national policy to decrease reliance on foreign fossil fuels and to develop our internal energy resources—available and prospective.

The question might be asked, "Why is The American Legion getting involved?" The answer is immediate. Our concern is both national security and the economy of the United States—two of the most basic precepts of The American Legion.

Forty-five of the 58 American Legion Departments have named an Energy Chairman. These Department Energy Chairmen will be holding a meeting at a later date to discuss the energy policy of The American Legion.

The American Legion's position regarding the challenge of energy is simply that America cannot afford to be second best.

PUFL

The PUFL (Paid-Up-For-Life Membership Program) is showing a steady gain in acceptance and participation. Since its beginning in July of 1975, over 6,700 Legionnaires have utilized the availability of the PUFL Program. The American Legion Magazine has proven to be a valuable promotional tool. A direct mailing program was initiated. This mailing program was successful and will be somewhat enlarged during 1979.

Direct Renewal Notices

Forty-eight departments participated in the direct renewal program for 1977. The number of posts will, again, increase substantially in 1978. Over two million Legionnaires will receive direct renewal notices for 1979.

The direct renewal notices have continued to change in format. They have become personalized and contain valuable information.

This program has met, in a large part, its basic objective to at least ask each Legionnaire to renew his dues. In no way, however, is the direct renewal program designed to reduce personal contact.

MEMBERSHIP AND POST ACTIVITIES

STEVE CARVER, North Carolina, *Chairman*

THOMAS J. HAYNES, Colorado, *Director*

Membership strength

Total official membership, 1977	2, 653, 980
1977 membership as of July 20, 1977	2,637,225
1978 membership as of July 20, 1978	2, 619, 292

The 1978 membership year has been one of implementing innovative changes to redirect the organization for the future. Although the 1978 membership, as of this date, is slightly behind the same date of the previous year, the membership year does not end until December 31, 1978. It appears that several departments will repeat all-time high membership for 1978, and when the final count is in, chances are good that we will end the year with a membership gain.

1978 Commanders Who Dare

Twenty-five Post Commanders and 15 District Commanders will be guests of the National Commander at the 1978 National Convention. The 25 Post Commanders were drawn from approximately 1,300 Post Commanders whose posts had achieved an all-time high by March 31. The District Commanders were selected from those districts that exceeded their last year's membership by May 1, 1978. These guests of the National Commander will receive special citations on the convention platform soon after the opening of the convention. Several Department Commanders and Department Membership Chairmen will be selected to receive special travel certificates for excelling in membership in 1978. These programs are made possible by a special monetary awards system which continues to prove itself as an innovative membership tool.

New Posts

Posts chartered, July 1, 1977 to June 30, 1978

Number of Posts as of July 1, 1977	15,978
Number of Posts Cancelled as of June 30, 1978	152
Number of Posts Chartered as of June 30, 1978	130
Number of Posts as of June 30, 1978	15,956

The year of 1975 was the first year since 1954 that The American Legion had a net gain in the number of new posts formed over the number of posts that were cancelled. This net gain was repeated in 1976 and 1977, and it appears that 1978 will be no exception. As of the May 3–4 National Executive Committee meeting, The American Legion had a net gain of new posts over the same date of the previous year. The receipt of new charters has not slackened.

In addition, new post formation in urban areas has been one of the most difficult tasks confronting The American Legion. Last year, the Membership and Post Activities Committee, in cooperation with the Department of Colorado, developed a Metropolitan Area New Post Marketing Plan. This plan, having been proved successful, is now being implemented in several departments. The premise of the plan is that any organization, no matter how great its programs, or how large its membership, must continuously adjust to the changes of the society it serves. The American Legion and its membership programs are no exception.

New Member Merchandising Awards Campaign

The 1978 National Convention marks the introduction of a new and innovative program to the membership of our organization. Approved by the National Executive Committee during their May meeting in Indianapolis, Indiana, Membership and Post Activities Committee, in cooperation with Emblem Sales, is offering to membership workers special merchandise as personal reward for special individual membership efforts. Under this program, each membership worker will be given one point for each new or reinstated member he or she signs. With an accumulation of 10 or more points, the membership worker will be allowed to select a gift from a specially prepared catalog. Membership workers are encouraged to watch The American Legion Magazine, the Advance, and other American Legion publications for the official rules of the program.

Operation Welcome Back

In March of 1978, each post received special 3" X 5" cards on each member who had not yet paid 1978 dues. Membership workers from each post were called upon to welcome these delinquent members back by visiting them and accepting their 1978 membership. The program was a huge success with several thousand delinquent members' renewing their dues. Individual membership workers who signed at least 10 of these delinquent members were awarded a specially designed certificate, personally signed by the National Commander. The program will be continued next year with hopes of an even greater success.

15th Annual National Membership Workshop

The 15th Annual National Membership Workship was held at National Headquarters, July 27–28, 1978. The goal for the 15th Annual Workshop was to achieve a greater participation on the part of individual Legionnaires in examining the membership objective of The American Legion. This exchange of ideas on a national scale continues to be one of the best methods of determining the future of The American Legion.

Unofficial Membership Awards

Fifty departments qualified for 1978 Early Bird Awards. Accordingly, citations were presented to the Commanders and Adjustants of: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Panama, Pennslyvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

By the close of the Veterans Day reporting period, 13 departments had 100 percent of their posts reporting one or more members for 1978. Citations were awarded to the Departments of: Indiana, Minnesota, Maryland, Nebraska, Mississippi, North Dakota, Connectcut, New Hampshire, Vermont, Nevada, Idaho, Panama, C.Z. and New Mexico.

"We Dare To Care"

The Membership and Post Activities Committee has planned the 1979 membership campaign with the future in mind. The membership theme for 1979 will be "We Dare To Care." The committee feels that the accomplishments of The American Legion since 1919 exemplify our ability to meet the challenge of this theme. It is through the courage and dedication of our association together that we as an organization meet the challenges of our community, state and nation. To continue caring for the ideals outlined in our Preamble, we must once again in 1979 show the world that The American Legion dares to care. This "We Dare To Care" theme is nothing more than a few simple words thrust together into an idea. The idea can never properly be expressed without action. The Membership and Post Activities Committee feels that 1979 will be a year of action in which The American Legion exemplifies what we mean when we say, "We Dare To Care."

RESOLUTIONS ASSIGNMENT COMMITTEE

ALEX M. GEIGER, South Carolina, *Chairman*

WAYNE E. HILGEFORD, Illinois, *Vice Chairman*

THOMAS V. HULL, Indiana, *Staff Liaison*

At the Denver convention, August 23–25, 1977, 519 resolutions were studied and appropriate assignment made thereof of them to the various convention committees as prescribed by the Uniform Code of Procedure For the Organization of National Conventions of The American Legion.

Appreciation is extended to Thomas V. Hull, librarian and curator, and his staff for assistance in making the work of the committee successful in every respect.

TROPHIES, AWARDS AND CEREMONIALS COMMITTEE

DANIEL A. DREW, Pennslyvania, *Chairman*

FRANK L. MEGNIN, Indiana, *Staff Liaison*

The Trophies, Awards and Ceremonials Committee met August 19, 1977, in Denver, Colorado, and on April 30–May 1, 1978, at National Headquarters in Indianapolis, Indiana. The August meeting was called to discuss any changes which might be necessary in the Manual of Ceremonies as the result of the recently enacted revised Flag Code by the Congress. The May meeting agenda covered review of nominations for International Amity Awards and Canadian

Friendship Awards, a discussion of problems attendant to increased participation in and recognition for the blood donor program, and proposals for two new national trophies for The American Legion Baseball program.

At the August, 1977, meeting at the site of the 59th National Convention, the Committee discussed the questions which had arisen concerning the appropriate attitude of American Legionnaires in uniform during the recitation of the Pledge of Allegiance and the singing of the National Anthem. After consideration of problems attendant to the definition of what constitutes a Legionnaire's being in uniform and the declining emphasis on the wearing of the Legion cap for organization identification, the Committee decided that no changes need be made in the Manual of Ceremonies during the recitation of the Pledge of Allegiance and the singing of the "Star-Spangled Banner." The Committee recommended, and the National Executive Committee subsequently approved at its October, 1977, meeting, a change in the ritual for opening meetings proposed by Resolution No. 5 (1976 National Convention—Wyoming) referred to the Committee by the Convention Committee on Credentials and Internal Affairs.

At its May meeting the Committee reviewed three nominations for the International Amity Award. The Committee recommended, and the National Executive Committee subsequently approved, presentation of the International Amity Award to Pierre Taillacoit of France and Maeng Kee Lee of the Republic of Korea. One nomination was held over, without prejudice, for further study.

Thirty-two nominations for the Canadian Friendship Award were reviewed by the Committee which recommended, and the National Executive Committee subsequently approved, presentation to the following 26 persons: Donald C. Armstrong, Theodore E. Shaman, William A. R. Simmons, William Barteaux, Sr., William Barteaux, Jr., John P. Cole, Mrs. Alexandria Wallner, James G. Alcorn, Clifford Boutilier, Ronald Murphy, Frank Jull, M. J. Barnett, William M. Graham, William Cook, Frank E. Rice, Cyril T. Smith, Leopold Sylvian, William Kieswetter, J. S. Redfern, Orville M. Grasley, O. George Martin, Harry J. Tait, William Walden Rewcastle, William Allen, Edward Hodgert, and Tom Reynolds. Six nominations were held over, without prejudice, for future consideration, pending receipt of further amplification and clarification of the documentation which accompanied them.

At the invitation of the Chairman, a representative of the National Security—Foreign Relations Division appeared before the Committee to join in the discussion of ways to enhance participation in the blood donor program. The discussion concluded that the source of the problem was not in inadequate recognition for outstanding participation but in a failure to report participation. This matter was then referred to the National Adjutant with a proposal to place it on the agenda of the 1978 Annual Conference of Department Commanders and Adjutants.

Proposals of two new national awards for The American Legion Baseball Program were referred to the Committee. The Committee recommended the establishment of the Bob Feller American Legion Baseball Pitching Award but referred back to the Americanism Commission its proposal for official national trophy—the Jack Williams Memorial American Legion Baseball Award. The Committee expressed concern that the latter award, as a national award, would establish a precedent for each and every Department to seek such a national recognition to honor a distinguished Legionnaire.

LEGISLATIVE COMMISSION

ALBERT D. BROWN, JR., Texas, *Chairman*

MYLIO S. KRAJA, Ohio, *Director*

FOREWORD

This report covers the activities of the National Legislative Commission from August 1, 1977 through July 31, 1978. During this period, the Commission or Subcommittees thereof met three times to review the legislative program and made recommendations to the National Executive Committee. Reports of these meetings are contained in the published proceedings of the National Executive Committee. The Legislative Commission also met during the Washington Conference in March for a review of current legislative activities and to receive a report from the staff director.

This report is limited primarily to a resume of legislative activities. It does not enumerate the administrative detail or the routine functions of the Legislative Division. Maintenance of records, research, preparation and introduction of bills, presentation of testimony to Committees of the Senate and House of Representatives, publication of the National Legislative News Bulletin and liaison with Congressional committees, Members of Congress and their staffs, and departments, districts, posts and unit of The American Legion and the American Legion Auxiliary are also important responsibilities of the legislative director and his staff.

Purpose, Personnel and Organization

The National Legislative Commission represents The American Legion before the Congress of the United States, and each Committee thereof, on all legislative matters in which the Legion is officially interested, and assists the National Executive Committee in formulating an appropriate legislative program for each session of the Congress. The Commission consists of thirty-three members, three consultants, and a representative of the National Commander.

To further assist the Commission in its activities with the Congress, the National Executive Committee at its meeting of April 30–May 1, 1975, adopted Resolution Number 45 authorizing the establishment of a National Legislative Council, composed of Legionnaires who are politically active in their states and/or Congressional districts and whose judgment and advice are respected by their elected representatives. The Council is headed by a National Chairman, who is an ex-officio member of the National Legislative Commission, and is assisted by a Vice Chairman for each Legion Department. The chairman, vice chairman, and general membership of the Council are appointed by the National Commander upon recommendations of the departments. The Spring 1977 meetings of the National Executive Committee further assisted the Commission by adopting a resolution to require additional Council members who have influence with the Senators from their respective states. During its limited existence the Council has been of invaluable service to the organization. This year the Council is being used in our effort to maintain veterans preference in federal employment.

The professional staff of the Commission (the Legislative Division) concentrates on implementing the legislative mandates of The American Legion as expressed in resolutions adopted at National Conventions and by the National Executive Committee. The Legislative Division, located at Washington, D.C., includes the director, a principal assistant director, an assisatnt director, an administrative assistant, a research analyst and three secretaries. The staff maintains close liaison with all divisions of The American Legion, the National Legislative Committee of the American Legion Auxiliary and the legislative committees of the American Legion Auxiliary and the legislative committees in each department.

Legislative News Bulletin

The Legislative News Bulletin, a publication on legislative activities affecting American Legion mandates, is published by the Legislative Division regularly while the Congress is in session, and from time to time during Congressional adjournment, at a cost of $5.00 per year. During the reporting period subscriptions increased by 2 percent over the previous period and now total about 8,500. The News Bulletin reports on legislation affecting veterans and their dependents and keeps its readers informed on the status of The American Legion's legislative program. The News Bulletin serves as an excellent source of material for speeches, articles and reports by the officers and members of both The American Legion and the American Legion Auxiliary and should be available to every Post and Unit.

95th Congress—First Session

During the first session of the 95th Congress more than 20 public bills became law of which 52 satisfied, in part or whole, American Legion resolutions. These statistics become even more impressive when one considers the fact that over 12,000 bills were introduced during the session. The American Legion presented 61 statements during the session. The American Legion presented 61 statements to 43 committees of Congress on many of the issues that eventually reached the President's desk.

With regard to child welfare, a law was passed to extend for three years the Juvenile Justice and Delinquency Prevention Act of 1974—and to expand and strengthen the 1974 Act (Public Law 95-115). A child nutrition law was passed which extended summer food service program for three years and included other provisions which improved nutrition services to children (Public Law 95-166). Thanksgiving week was designated as "National Family Week" (Public Law 95-100). And funds were made available to develop a comprehensive prorgam to immunize preschool and school children against several major diseases.

Several public laws of an economic nature were relevant to Legion programs or resolutions. A provision in the tax reform law extended the sick pay exclusion for certain military retirees in receipt of military disability retirement benefits (Public Law 95-30). Congress appropriated $7.9 billion to increase CETA public service jobs to 725,000 from 310,000 in fiscal year 78 (Public Law 95-29). A new law created about 203,000 jobs and training positions for our young people, with $1.5 billion targeted for the fiscal year (Public Law 95-93). Public Law 95-91 created a Cabinet-level Department of Energy. Another law tripled from $2 billion to $6 billion, the authorization for federal grants for local public works, which will create an estimated 600,000 jobs, largely in construction and related industries in areas of high unemployment (Public Law 95-28). Congress also enacted a law providing for the extension through fiscal year 78 of existing programs under the Comprehensive Employment and Training Act (Public Law 95-44).

In the field of foreign affairs, legislation was enacted to prohibit U.S. aid for nations that harbor international terrorists and to direct U.S. officials at international banks to vote against loans for Vietnam, Cambodia, Laos, Cuba and other nations because of human rights violations (Public Law 95-148). Further restrictions were placed on aid to Vietnam by assessing that nation's cooperation on MIA accounting in determining eligibility for financial assistance (Public Law 95-118). Funds were appropriated for Radio Free Europe/Radio Liberty to construct new radio transmission facilities (Public Law 95-86). In response to the President's announcement to withdraw troops from South Korea, legislation was enacted to insure that any action to withdraw troops would be taken in consultation with Congress (Public Law 95-105).

With regard to internal affairs, money was authorized to improve the U.S.S. Arizona Memorial at Pearl Harbor, including its shoreline facilities (Public Law 95-82). The Clean Air Act of 1970 was amended to provide for more state authority in establishing air quality standards. This authority, coupled with temporary relaxation of existing federally set standards, should allow for essential economic development in regions which are currently underdeveloped (Public Law 95-95).

Relevant to the national security interests of The American Legion, funds were approved for fiscal year 1978 to continue most major weapons systems—with the notable exception of the B-1 bomber—and the U.S. Army's authorized strength was established at 787,000 (Public Law 95-79). Legislation to bar military unions was approved by the Senate, and funds to implement the President's draft evader pardon program were prohibited (Public Law 95–86). Military commissary subsidies were enacted (Public Law 95–111). NASA was authorized $4.05 billion in fiscal year 1978 (Public Law 95–76) and the Coast Guard's fiscal year 1978 authorization was $1.2 billion (Public Law 95–61).

With regard to veterans' affairs and rehabilitation, Congress approved a 6.6 percent hike in service-connected compensation and dependency and indemnity benefits for veterans and their survivors (Public Law 95–117). It appropriated $15 million for fiscal years 1978 and 1979 to improve the construction, remodeling and renovating of state veterans homes (Public Law 95–62). World War I veterans were granted allowances toward the purchase of specially adapted automobiles (Public Law 95–116). A law was passed denying veterans benefits to certain individuals with upgraded discharges unless a Discharge Review Board makes a separate determination (Public Law 95–126). The pay schedules and incentive bonuses of VA physicians and dentists were improved (Public Law 95–201). Congress authorized a 6.6 percent increase in GI education and training allowances, liberalized loan program to assist veterans attending high-tuition schools and joint Federal-State forgiveness of loan feature that would cancel up to two-thirds of a loan provided the state in which a veteran attending school contributes one-third of the loan (Public Law 95–202).

The HUD-Independent Agencies appropriation bill earmarked approximately $20 billion for the Veterans Administration (Public Law 95–119). The Treasury-Postal appropriations bill included money that will assist second-class nonprofit publishers like The American Legion Magazine (Public Law 95–81).

95th Congress—Second Session

During the second session of the 95th Congress The American Legion has presented testimony to numerous Congressional committees on a broad range of issues covering a number of Legion programs. Thus far in the second session the Legion has presented testimony on the civil service reform legislation, especially with regard to provisions affecting veterans preference; proposed legislation dealing with illegal aliens; in support of increases in compensation and disability payments; improvements in the CETA public service program; improving the VA housing program; and, on national defense appropriations and the all-volunteer force.

Of the public laws enacted thus far in the session, nine affect Legion programs. Those of primary interest include:

Public Law 95–225 (Sexual exploitation of children);
Public Law 95–236 (Energy-Research);
Public Law 95–240 (Appropriations—Supplemental);
Public Law 95–255 (Appropriations—Disaster Relief);
Public Law 95–236 (The "Child Abuse Prevention and Treatment and Adoption Reform Act of 1978");
Public Law 95–298 (Authorization—Maritime Program);
Public Law 95–308 (Coast Guard Authorization);
Public Law 95–311 (McClellan VA Hospital); and
Public Law 95–318 (Federal Employees—Survivors Annuities—Widows and Widowers).

Although none of the public laws to emerge from the second session of this Congress thus far deals directly with veterans affairs and rehabilitation, more than 20 bills affect Legion resolutions. A number of important bills have passed the House and are pending in the Senate, including H.R. 5027, the "Veterans Health Care Amendments Act of 1977"; H.R. 11886, the "Veterans Disability Compensation and Survivors Benefit Act of 1977"; and H.R. 10173, the "Veterans and Survivors Pension Act." Other legislation now pending in Congress and expected to be approved before the end of the second session would increase dependent allowances of veterans rated 40 percent or more disabled (H.R. 11888), increase compensation for the loss of paired extremities (H.R. 6501-S. 5379), increase DIC payments to dependent parents by 6 percent (H.R. 11887), improve VA housing programs (H.R. 12028), extend VRA appointments in the federal government by two years (H.R. 1253), provide for hospital care for qualified veterans outside the territorial United States (H.R. 12011), increase educational allowances by 5 percent (H.R. 11136), and provide for a two-tier level of aid for the most severely handicapped service-connected disabled veterans (H.R. 11891).

With regard to areas of interest of The American Legion other than veterans affairs and rehabilitation, two of the public laws passed so far in the second session dealt with Children and Youth matters: Public Law 95–225, which provided for sanctions against the sexual exploitation of children, and Public Law 95-266, the "Child Abuse and Prevention and Treatment and Adoption Reform Act of 1978." The Legion also expressed its views on the Carter administration's illegal alien legislation and a Senate bill to provide for the confiscation of vehicles used in smuggling illegal aliens. The House has passed appropriation bills which include authorization for the expansion of Manassas National Battlefield and a national historical site on Guam commemorating Americans who fought in the Pacific Theater in World War II. A Legion-supported House resolution calling for the observance of a National POW-MIA Recognition Day was passed by the House.

In the field of foreign affairs, the Legion has been concerned with the Turkish arms embargo as it affects the NATO alliance and has supported restrictions on U.S. aid funds for Vietnam funnelled through international lending institutions. The 32 Senators who voted against the ratification of the Panama Canal treaties were presented commemorative plaques, as called for by NEC resolution No. 44-S-78.

With regard to national security, the Legion expressed support for the President's proposed reorganization of the civil defense effort and presented a statement to the House Armed Services Committee concerning the continuing shortage of military doctors. Legislation outlawing military unionization, which has been held up in committee by the Civil Service reform legislation, will in all probability soon become law.

A bill which would amend the Legion's charter so that it conforms to the official termination date of the Vietnam conflict is also slated for approval in the near future.

Conclusion

This concludes the report of the Legislative Commission for the period ending July 31, 1978. Subsequent developments in the second session of the 95th Congress will be reported in accordance with established procedures.

The Legislative Commission and its staff expresses its appreciation to National Commander Robert C. Smith for his adroit leadership and support of our legislative programs and we also acknowledge the splendid cooperation and support of National Adjutant Frank C. Momsen and all administrative officers of the national organization. Additional acknowledgement is directed to the National Executive Committee, the staff of the American Legion Magazine, the National Legislative Council, and the departments, districts and posts throughout the country. Particular attention is drawn to the fine cooperation and support we received from National President Mrs. Viola Moltzen, her Legislative Chairman, Mrs. Patricia H. Caudel, and to all other officers and members of the American Legion Auxiliary for their assistance and contribution in pursuit of our legislative program.

Your Legislative Commission is pleased to report that a splendid relationship continues with Congressional committees and their staffs and we look forward with confidence to meeting and successfully overcoming those obstacles that would prevent our nation's war veterans and their dependents from obtaining and retaining meaningful and viable benefits.

NATIONAL SECURITY COMMISSION

FRANCIS P. KANE, Illinois, *Chairman*

EMMETT G. LENIHAN, Washington, *Chairman Emeritus*

G. MICHAEL SCHLEE, Maryland, *Director*

> **If this nation is to survive, we must make a decision, and make it now. Our future is at stake and so is the future of the free world. Our European allies and our Asian allies are counting on us to back them up because we are the only nation in the free world with the industrial and military might to provide a significant difference in the balance of power. We have the potential manpower and the industrial resources that are not available anywhere else in the world on an individual basis. With our backing, our allies are able to provide a share of this free world's defense, without our backing, their situation becomes extremely perilous.**
>
> **It is time for this nation to draw the line and announce to our enemies that we can no longer be pushed around—we will not continue to be the scapegoat for the world's problems.**
>
> **Robert Charles Smith,**
> ***National Commander.***

The National Security Commission over the past year continued its efforts to alert our membership, Members of Congress and the public in general of the need for a strong, effective, credible national defense structure. Resolution 392 of the 59th National Convention resolved our continued support for modernization and procurement of the necessary weapon systems for our Army, Navy and Air Force in order that no nation dare challenge our will to keep our nation and those of our allies free and at peace.

During National Commander Smith's visits with key leaders of Congress and the Department of Defense, he has kept at the forefront our need to enhance our conventional and strategic forces from one of rough equivalence to one of superiority. Calling the Defense budget request for fiscal year 1979 only a half-step in the right direction, National Commander Smith in April of 1978 issue of The American Legion Magazine stressed his disappointment in that request which only provides for an increase for conventional forces and weapons. He stated: ". . . If we are to maintain a credible strategic deterrent in the next decade, an increase in conventional forces is not enough. Consider our prospects for 1985 if current trends continue:

> The Air Force arm of our Triad will consist of 20-to-30 year-old B–52 bombers armed with a cruise missile which is untested as of now and whose range may be severely limited under proposed SALT agreements. The B–1 has been scrapped.
>
> The strategic missile arm of our Triad will consist of Minuteman III missiles in fixed silos which will be vulnerable to increasingly accurate Soviet missiles. The new budget asks for more research money for the mobile M–X missile system but no construction and deployment funds.
>
> The U.S. Navy, already outnumbered by a modern Soviet fleet, has seen its shipbuilding program cut to 15 ships from the 30 requested by the Navy—and only 10 of these would be combat ships. All money for the surface effects ship and the sea-launched cruise missile is eliminated."

Legion witnesses in their testimony before responsible Members of Congress warned of the massive Soviet military buildup over the last decade and of our need to meet this challenge with continued authorization and funding of weapons and personnel that would equal or surpass this realistic threat to our national security.

Appearing before the Subcommittee on Defense Appropriations on April 12 and 20, 1978, respectively, James B. Hubbard, Assistant Director of National Security, testified:

"There is a growing uneasiness among our membership, and, indeed, among all citizens of our country, over the decade-long buildup and modernization of Soviet military power. The Soviets have a standing armed forced of 4.4 million men and women with another 6.8 million of their reserve force having seen service within the past five years. Four new strategic ICBMs are currently being developed and will be fielded by the Soviets in the next few years.

"The Soviet navy outnumbers us 4-3 in principal surface combatants and 3-1 in general purpose submarines. Their surface naval units are generally more heavily armed than ours. Soviet civil defense is considered an integral part of their military strategy with the result that protection for a significant number of key leaders and industrial workers is provided and being improved.

"We are concerned that a perception on the part of Soviet leaders that they enjoy a strategic and operational advantage over the U.S. and its allies will result in Soviet aggression or political coercion at our expense.

"To counter this growing threat, it is imperative that Congress appropriate the funds necessary to build the strategic weapons and ships that our armed forces require. Accordingly, we urge your support for each resolution contained in this statement. We also believe that several areas require more money than that requested by the present Administration."

In concluding, he said: "Mr. Chairman, the Secretary of Defense acknowledges that Soviet military strength has been increasing steadily at a rate of 3 to 4 percent per year in real terms for 15 years, that it exceeds our own capabilities in many categories, and that grave problems in areas vital to our national interests are the result.

We must aggressively turn our technological advances into military hardware that can be placed in the hands of our fighting men and women for that is the only place where it counts. I urge this Congress to follow President Carter's call and I quote:

'We will not allow any other nation to gain military superiority over us.'"

The principal recommendations on which testimony was based include: defense warning system; cruise missile; M-X missile; U.S. Army strength; Triad concept and the B-1 bomber; Trident weapons systems, and the modernization of the U.S. Navy.

National Security Commission

Through a series of regular meetings, the National Security Commission and Committees evaluate and update American Legion defense policies and programs. These periodic meetings supplement the continuing flow of information provided to the members of the Commission-Committees through regular monthly meetings. During the past year, four regular meetings of the Commission and Committees were held: one prior to the National Convention in Denver, Colorado; a three-day session during the 1978 Washington Conference, and two executive sessions held prior to the National Executive Committee meetings.

Pre-Convention Meetings.—On Thursday and Friday, Aug. 18-19, 1977, 117 members of the National Security Commission and Committees attended pre-Convention briefings at Colorado Springs, CO. The group departed at 7:45 a.m. on Thursday from the Brown Palace Hotel for NORAD headquarters at Colorado Springs. After a general briefing and lunch, the Legionnaires had a tour of the NORAD complex located inside the Cheyenne Mountain. That evening, the group hosted a banquet for approximately 15 military and civilian dignitaries, including Maj. Gen. William T. Burrows, Vice Commander, NORAD, and Brig. Gen. Kenneth Woodyard, Dean of the Faculty, Air Force Academy. Early on Friday morning, the Legionnaires departed for a tour of the Air Force Academy with luncheon at the Officers Open Mess. At 12:10 a.m., they departed for Denver.

Three hundred fifty (350) Commission and Committee members, delegates and guests met in the Forum Room of the Executive Tower Inn to hear the following speakers on Saturday, August 20: Mr. Bardyl R. Tirana, Director, Defense Civil Preparedness Agency; V. Adm. Norman K. Venzke, Chief of Operations, U.S. Coast Guard; Mr. Paul D. Phillips, Deputy Assistant Secretary of the Army (Manpower and Reserve Affairs); R. Adm. Ronald J. Hays, USN, Director, Office of Program Appraisal, and Maj. Gen. John K. Davis, USMC, Commanding General, 3d Aircraft Wing.

National Executive Committee, Oct. 3-4, 1977.—An executive session of the National Security Commission-Committees met on those days to study and take action on seven resolutions properly before them. None of these resolutions were adopted. In making his report to the National Executive Committee, Mr. Emmett G. Lenihan, then Chairman of the National Security Commission, stated:

"This is an important year for America. While we are celebrating our 201st year of freedom, we must also make some crucial decisions that will affect the future of the nation for the next 100 years. Foremost among these is the question of what is to be provided for national defense. We are at peace today.

"Yet, when one looks around the world, there are threats to that peace. It is a dangerous and complex world. There are two major powers—the United States and the Soviet Union—each with its allies—with ideals and objectives that are fundamentally different.

"We and our allies have been able to maintain a degree of stability in Western Europe and Northeast Asia for 30 years or more. Now the expanding power of the Soviet Union causes concern throughout the world—in Europe, in Asia, in the Middle East, in Africa. This in turn bears directly on the national security objectives and military posture of the United States.

"Considering all aspects of national power—the military, political, economic and technological—the United States is the strongest nation on earth today. Yet, in the area of military capabilities, a set of trends—expansion on the part of the Soviet Union and entrenchment on our part—indicates the need for renewed commitment by the United States.

"We as a nation cannot continue to reduce real spending for defense while the Soviet Union continues to increase its military capabilities. In non-inflationary dollar terms, our expenditures on baseline defense capabilities have been declining by about 2 percent a year over the past decade. The trends of the last 10–12 years in the growth of Soviet military power are sobering indeed:

USSR military spending has increased in real dollar terms by approximately 3 percent annual throughout the last decade:

The Soviet Union is estimated to devote approximately 11–13 percent of its GNP to military capabilities;

The constant dollar cost of Soviet military Research, Development, Test and Evaluation (RDT&E) has increased continuously in real terms over the past decade, apparently exceeding the cost of the U.S. program in 1975 by about 65 percent;

The Soviets have a production base for most items of military hardware which exceeds that of the free world; and

Soviet military manpower has expanded from 3.4 to 4.4 million since 1964.

"Over the same period, U.S. defense expenditures and military manpower have been declining, the latter to 2.1 million. In short, an over-all comparison of the strategic nuclear postures of the USSR and the U.S. today, approaches parity but the throw-weight of the Soviet missile greatly exceeds ours. The American Legion must not allow this critical strategic balance to deteriorate any further. In fact, we must insist that our government regain the strategic upper hand. The U.S. force structure consists of a carefully balanced set of Active and Reserve combat units, ships, aircraft wings, etc. Great strides have been made in the organization and planning for utilization of Reserve component units and individual Reservists alongside our active forces.

"Our strategic concept provides for prompt mobilization of the total force, which means that Reserve component units must be combat ready and mission capable. To ensure that our Reserve component units are able to meet the planning requirements for early movement and combat, we are affiliating many of them with nearby active units. In addition to Reserve units, the Armed Forces must have access to a pool of personnel with military training and experience. These trained individuals are needed to:

bring active and Reserve component units from peacetime to wartime strengths;

fill units to be activated after mobilization; and

provide replacements for losses early in a war.

"Emphasis must be placed on the requirements for and management of these manpower assets as a result of reductions in the activities of the Selective Service and the diminishing size of this manpower pool. As stated, the military trends of the past decade have been adverse. Unless they are arrested now, the U.S. could slide to a position of relative weakness in the future.

"The days are gone when Congress can make substantial cuts in the defense budget, claiming that the budget is so large that the reductions will not be missed. Such claims are not accurate today. Military forces which are second best are the most expensive which we could possibly have as they jeopardize our freedom. The U.S. military posture relative to the Soviet Union today is the result of decisions made many years ago. Our military capability in the years ahead result from the decisions we make today. They must be wise decisions if we are to survive as a free people."

Washington Conference, Feb. 20–23, 1978.—The National Security Commission has met once since the fall NEC meeting. They met for a 2-day briefing and business session at the Capital Hilton Hotel, Washington, D.C. More than 100 members and guests attended these sessions.

On the morning of February 21, members of the Commission and Committees met in joint session with other participants in the conference. In addressing the joint meetings, Frank P. Kane, Chairman, National Security Commission, stated:

"We are concerned with the state of our national defense. We believe that the $126 billion requested by the Administration is the minimum necessary to provide for the national defense of the country in fiscal year 1979. In addition, we ask that you urge your legislators to provide additional funds to the following areas:

M-X missile system: the Administration has asked for research and development funds only. Additional funds to start production are necessary;

A new manned bomber is necessary for updating the strategic Triad. Money should be provided to build and deploy this aircraft by the mid-1980s;

The House of Representatives will consider shortly S. 274 which bans unions in the armed forces. Passage of this bill is a priority legislative goal;

The Navy shipbuilding program has been cut by $2 billion. Restoration of these funds plus additional funds are necesary to insure a modern, combat-ready fleet in the next decade; and

The Navy's extremely long-range (ELF) communications system (Seafarer) is ready for production. The best location available should be chosen and construction commenced at the earliest possible date.

Subsequently, the Commission and Committees reconvened in the South American Room, where they received briefings from Congresswoman Marjorie Holt, a member of the House Armed Services Committee; Special Agent Edward Leary, a staff member of the Crime Resistance Office of the FBI; Sergeant Major of the Army, William Bainbridge; Sergeant Major of the Marine Corps, John R. Massaro; Master Chief Petty Officer of the Coast Guard, Hollis B. Stephens; and Chief Master Sergeant, Dwight J. Collie, representing the Chief Master Sergeant of the Air Force Robert Gaylor.

On February 22, 43-member of the Commission and Committees journeyed to Annapolis, Maryland for a tour/briefing of the U.S. Naval Academy. The Commission hosted a luncheon at the Officers Open Mess where they had as their guests. R. Adm. Kinnard R. McKee, Superintendent of the U.S. Naval Academy.

On February 23, the Commission-Committee members met to hear Helen Adams, American Legion Auxiliary and Noah Smalley, Chairman, Aerospace Committee.

National Executive Committee, May 3–4, 1978.—The National Security and Foreign Relations Commissions met in joint session to hear Paul Nitze's remarks on the Strategic Arms Limitations Talks. Following which the National Security met in executive session to consider three resolutions. Two resolutions were adopted on the military doctor shortage and enhanced radiation weapons. In reporting to the National Executive Committee, Chairman Frank Kane stated:

"There is a continuous uneasiness among our Commission members over the decade long buildup and modernization of Soviet military power. The following facts clearly demonstrate this:

"The Soviets have a standing armed force of 4.4 million men and women with another 6.8 million of their reserve forces having seen service within the past five years. Four new strategic ICBMs are currently being developed and will be fielded by the Soviets in the next few years.

"The Soviet navy outnumbers us 4–3 in principal surface combatants and 3–1 in general purpose submarines. Their surface naval units are generally more heavily armed than ours. Soviet civil defense is considered an integral part of their military strategy with the result that protection for a significant number of key leaders and industrial workers is provided and being improved.

"We are concerned that a perception on the part of Soviet leaders that they enjoy a strategic and operational advantage over the U.S. and its allies will result in Soviet aggression or political coercion at our expense. The U.S. ICBM-force of 1,054 missiles must be updated to take advantage of the technological improvements in accuracy and yield that are now available. In view of the Soviet technological advances in accuracy, it is imperative that we upgrade our force and improve its vulnerability to a Soviet first strike. We urge the funds necessary for expeditious development and deployment of the M-X mobile missile. This program is the only current ICBM initiative currently under consideration and it can provide a valuable counter to the Soviet build-up.

"Our current Submarine Launched Ballistic Missile force, (SLBM) was built at a much faster rate than the Trident, which is the planned replacement. The Trident is behind schedule by almost three years from the original plan. The result of these two facts will be a significant decline in the number of SLBMs in the late 1980s and early 1990s—even if the present Poseidon boats have their life extended.

"The mission of the U.S. Navy is to insure the use of sea lines of communication to ourselves and our allies, to deny their use to any enemy, and to project power ashore. This mission makes no mention of any particular area of the world. The Navy, is therefore, expected to carry out this mission in any or possibly every area of the world where a conflict involving U.S. military forces may erupt. There is a great deal of doubt as to whether today's Navy or tomorrow's can carry out this mission. Indeed, the Chief of Naval Operations has testified in Congress that he cannot guarantee the sea lanes beyond Hawaii if trouble were to erupt in the Atlantic. He simply doesn't have enough ships.

"Our armed forces are facing serious Reserve recruiting problems. The Army personnel chief, Lt. Gen. DeWitt C. Smith, testified before Congress that the all-volunteer concept has had a considerable and unanticipated impact on Reserve strength and Individual Ready Reserve strength. Latest IRR strength figures show a total of 147,000 with an additional 143,000 in the standby Reserves against a wartime IRR requirement of 769,000. Since the IRR is the primary source of casualty replacements and fillers for both new and existing units, the level is critical in the early stage of mobilization.

"The Secretary of Defense acknowledges that Soviet military strength has been increasing steadily at a rate of 3-4 percent per year in real terms for 15 years, that it exceeds our own capabilities in many categories, and that grave problems in areas vital to our national interests are the result."

This Commission listened with interest to Paul Nitze's remarks on the Strategic Arms Limitation Talks currently underway between the U.S. and the Soviet Union. We have seen, discussed and heartily concur with the resolution adopted by the Foreign Relations Commission.

National Security-Foreign Relations Division

Responsibility for the daily conduct of the extensive work of The American Legion in defense and foreign policy is assigned to the National Security-Foreign Relations Division located in the Washington, D.C. office. The staff of the Division consists of: G. Michael Schlee, Director; an Assistant Director for National Security, James B. Hubbard; Frank A. Manson, Counsellor for Foreign Relations; Spencer H. Leopard, Research Analyst; a secretary to the Director, June B. Bancroft; and a secretary, Joanne Housenger.

During the past year, the combined division has endeavored to not only fulfill its responsibility to implement the mandates and policies of The American Legion relating to national defense and foreign affairs, but to constantly expand and improve the ways and means of projecting our interest in these two important areas. The duties have consisted of answering correspondence; telephone inquiries; maintaining liaison with the Departments of Defense, State, Army, Navy, Air Force and Marine Corps; the American National Red Cross; the Defense Civil Preparedness Agency and serving on the Board of Directors of the American Blood Commission. These contacts related to a variety of matters, some of which involved members of the Armed Forces.

Liaison also is maintained with a host of military and quasimilitary organizations with whom common goals are shared. Among these are: Reserve Officers Association; Air Force Association; Navy League; Association of U.S. Army. Most importantly, the National Security-Foreign Relations Division provides a steady flow of information on defense matters to members of both commissions and the leadership at all levels of our organization. Writing and delivering of speeches and reports and the preparation of testimony is also a duty of the staff. Additionally, promotional material is prepared and distributed to support the five national programs in the national security field.

National Security-Foreign Relations Bulletin.—While continual use is made of all national publications, such as Advance, The American Legion Magazine and the American Legion News Service, the principal means for the distribution of factual information and program support in the fields of national defense and foreign affairs is the monthly National Security-Foreign Relations Bulletin.

The 1550 recipients of the Bulletin include: National and Department officers and the NECmen; Department Security Chairmen; National and Committee leadership of the American Legion Auxiliary; National Security and Foreign Relations Commission and Committee members and many other interested Legionnaires. Accompanying the Bulletin have been timely enclosures including the monthly Washington Report prepared by the American Security Council. Particular emphasis in Bulletin articles in the past year were issues on the Panama Canal, amnesty, defense appropriations, detente, MIAs, Selective Service and civil defense. Excerpts from the numerous appearances of Legion representatives before the Committees of the Congress are also featured in the Bulletin.

American Legion Magazine.—We are truly indebted to Raymond McHugh and the entire staff of the American Legion Magazine and the Magazine Commission for the extensive coverage given to National Security programs during the past year.

American Legion Auxiliary.—We gratefully acknowledge the assistance of the American Legion Auxiliary for its continued cooperation in support of The American Legion's defense programs and objectives. To National President Mrs. Viola Moltzen; National Security Chairwoman Helen Adams, and to Miss Doris Anderson, National Secretary, we express our deep thanks for their personal interest and involvement in the defense programs of the Legion.

Distribution of Materials.—A statistical summary of the correspondence and materials sent by the Division between July 1, 1977 and June 30, 1978 is as follows:

Individual letters (NS–FR)	800
Stencils (bulletin) (offset printing for 3 issues)	55
Pages of copy	1,226
Aerospace educational material	1,000
ROTC Medal Awards brochure	9,558
Blood donor	21,865
Police/fire certificates	11,297
Disaster relief understanding	14,985
NS–FR bulletin (monthly)	18,600
Crime resistance booklet	38,997

Our Appreciation

The Legislative Division through its bulletin has provided excellent coverage of appearances of American Legion witnesses in support of positions adopted by the national conventions. We express our thanks to Mylio Kraja, Director, and members of his staff for their valuable help.

We also express our gratitude to the Public Relations Division, who through the American Legion News Service has carried information on National Security and Foreign Relations activities to the members.

We also extend thanks to Frank L. Megnin, Editor of Advance, for presenting factual information on the conduct of National Security programs at the Post level. Such helpful support has resulted in substantial growth in the Blood Donor and ROTC Medal Awards programs in particular.

The National Security Division is indebted to our military liaison officers in the Departments of Defense, Army, Navy, Air Force and Marine Corps whose help has been invaluable in handling hundreds of requests from in-service personnel and assistance in securing military speakers for various functions.

Committee Reports

The following reports, acknowledged with grateful appreciation, were prepared under the able leadership and guidance of the following committee and council chairmen:

Noah Smalley—Aerospace; High Mott—Defense Civil Preparedness; W. Dudley Robbins—Law and Order; William D. Horan—Merchant Marine; Donald Hildebrand—Military Affairs; Wilbur Walker—National Security Council, and John J. Wrenn—Naval Affairs.

Also the National Security Commission recognizes and appreciates the interest and support given by the National Commander, National Adjutant and National Executive Committee, particularly those members who serve on the National Security Liaison Committee. We gratefully acknowledge the valuable help and cooperation rendered by national and department officials of The American Legion and Auxiliary in the promotion and advancement of our vital interests in the area of defense and foreign policy.

AEROSPACE COMMITTEE

NOAH L. SMALLEY, Florida, *Chairman*

Over the past year, the Aerospace Committee has continued its efforts to insure that America does not become a second-rate power in the area of modern air power and advanced aerospace technology. The authority for our efforts is contained in 15 resolutions adopted by the 59th National Convention in Denver, Colorado. The recommendations enunciated by these mandates reflect the resolute direction of The American Legion to assure that our nation does not abandon its role as the foremost leader in all facets of aerospace activities.

Legislative Activities

Our main thrust of legislative activity was the testimony of Assistant Director for National Security James B. Hubbard before the Appropriations Subcommittee on Defense, U.S. House of Representatives, and Appropriations Subcommittee on Defense, United States Senate, on April 12 and 20, 1978, respectively. Citing 10 of the adopted mandates by the 59th Convention, Assistant Director Hubbard testified: "There is a growing uneasiness among our membership and, indeed, among all citizens of our country, over the decade-long build-up and modernization of Soviet military power. . . . We are concerned that a perception on the part of Soviet leaders that they enjoy a strategic and operational advantage over the U.S. and its allies will result in Soviet aggression or political coercion at our expense.

"To counter this growing threat, it is imperative that Congress appropriate the funds necessary to build the strategic weapons and ships our armed forces require. Accordingly, we urge your support for each resolution contained in this statement." In the strategic missile area, he testified that, "The U.S. ICBM force of 1,054 missiles must be updated to take advantage of the technological improvements in accuracy and yield that are now available. In view of the Soviet technological advances in accuracy, it is imperative that we upgrade our force and improve its vulnerability to a Soviet first strike. We, therefore, urge the funds necessary for expeditious development and deployment of the M-X mobile missile. This program is the only current ICBM initiative currently under consideration and it can provide a valuable counter to the Soviet build-up."

Cited in the testimony were Resolutions 269–Defense Warning System; 325–Air Launched Cruise Missile; 392–F-15 Aircraft; 391–A-10 Aircraft; 393–F-16 Aircraft; 395–Airborne Warning and Control System Program; 396–Strategic Airlift Forces and Aerial Refueling Capability; 473–Triad Concept, and B-1 Bomber; 474–M-X Missile; and 476–Minuteman Missile Force.

Following the National Convention, the widest possible dissemination of all resolutions was made to Congressional, government, military and industry leaders to apprise them of the position of The American Legion on key aerospace issues. National Commander Robert Charles Smith has presented bound volumes of the resolutions to the President of the United States; the Chief of Staff of the Air Force and to the Chairman of the Joint Chiefs of Staff. Additionally, copies of the aerospace resolutions were presented to the Chairmen of the Armed Services Committees of both the Senate and House. Particular stress was placed on the need for the M-X missile, the B-1 bomber and continued procurement of the F-15.

Meetings of the Committee

During the year, the Aerospace Committee was represented by your Chairman and members of the Committee on four separate occasions: at the Fall 1977 and Spring 1978 NEC meetings in Indianapolis; at the Washington Conference in February 1978; and at the Denver pre-Convention meetings. While the major policies of the Aerospace Committee were adopted at the National Convention, they are reviewed for currency and adequacy at each succeeding meeting.

B–1 Bomber

Of extreme disappointment to the Committee was President Carter's decision to scuttle the B–1 bomber. On June 30, 1977, then National Commander William Rogers, sent the following telegram to President Carter: "On behalf of The American Legion, I want to convey to you our deep shock and concern over your decision to scrap the B–1 bomber. We believe that in so doing you have seriously compromised our strategic deterrent capability in the face of continuing Soviet unwillingness to agree to reasonable terms in the SALT negotiations and the extensive Soviet build-up in offensive weapons. In our opinion, loss of the B–1 is a serious threat to the balance of power, and a severe setback for all of the free world. We urge that you re-examine the facts and reconsider your decision."

Even after the President's decision, the debate went on in Congress on the need for the B–1 bomber. Shortly after the President's announcement, the House of Representatives passed a vote of 333 to 54, a defense appropriations bill which included $1.98 billion for production of five bombers. The Senate voted 59 to 36 to drop the money for the production of five B–1s but House Conferees refused to concur in the Senate's action. However, in subsequent action by the House, by a narrow vote of 202 to 199, the production of the B–1 was defeated.

After deciding to stop work on the B–1, President Carter asked Congress in a supplemental appropriations bill for $20 million to study the feasibility of modifying the FB–111 for use as a penetrating bomber. Appropriations for a modified penetrating bomber were defeated in the House but later restored by a conference committee. Efforts to keep the B–1 alive was continued when the House voted to include $462 million in the supplemental appropriation to build two additional prototype planes. Athough the heated debate continued, the Senate voted again to delete the B–1 funding.

Subsequently, the House concurred with the Senate and the B–1 went down in flames. Prior to the House action on the B–1, National Commander Robert Charles Smith advised key members of the U.S. House of Representatives that: "A new manned bomber must be produced and deployed as soon as possible if this country's strategic nuclear force is to remain a credible deterrent in the next decade. The bomber force is an indispensable arm of the strategic Triad and modernization is a must. The 2.7 million members of The American Legion urge your support for funding two additional B–1 aircraft at this time to keep the production line open and technology alive."

As late as May 1978, General Lew Allen, Jr. former head of Air Force Systems Command and recently nominated to be USAF Chief of Staff, told Air Force Magazine, "We need—and will continue to need—a manned strategic penetrator." Generating this requirement are "our concern about the efficacy of a pure cruise missile force as the only air-breathing leg of the strategic Triad. We also worry about the limitations an all-cruise missile force would impose on our ability to deal with certain kinds of targets and deployments. These limitations, we believe, introduce an unacceptable degree of risk . . ." Like Gen. Allen, this committee feels that a penetrating bomber is a necessity if we are to keep our Triad viable and we will continue to concentrate our efforts on the production of an acceptable penetrating bomber.

Information and Education

Demands for our booklet, "A National Aerospace Education Program," continues at a high level. Requests for the brochure, which sets forth ways to assist the Civil Air Patrol and teachers in secondary schools interested in courses of aerospace science, have been most gratifying. These requests have come from each of the 50 states, plus various overseas locations. It is estimated that the Division honored an average of seven requests per day, which totals up to shipping 1,820 brochures during 1977–78.

In addition, we have distributed on a limited basis, three NASA articles provided by the Aerospace Committee Chairman Noah L. Smalley. They are entitled "Applications Technology Satellite–6 (ATS–6); "Meteorological Satellites and Sounding Rockets" and "Why Survey from Space?" These articles lend insight on how NASA is using space for peaceful means.

Civil Air Patrol

Following the National Convention last year, whereby it was resolved by Resolution 14 that a method be established to provide appropriate recognition for outstanding CAP squadrons, the Division contacted CAP headquarters in Montgomery, Alabama. After consultation, a certificate which will be furnished each Department for recognizing the outstanding CAP squadrons in their state has been approved. A prototype certificate is currently being prepared and upon approval will be printed and distributed.

DEFENSE CIVIL PREPAREDNESS COMMITTEE

HUGH MOTT, Tennessee, *Chairman*

The American Legion continues to work to convince our leaders that a sound, well financed defense effort is vital to national survival. The 59th National Convention reaffirmed our recognition of the vital role of the Defense Civil Preparedness Agency by urging Congress and the Department of Defense to allocate no less than $134.8 million for fiscal year 1978. It was also urged that Congress immediately pass legislation that would change the current formula for matching funds from a ratio of 50–50 to a ratio of 75–25.

Legislative Activities

The Senate Armed Services Committee has recommended authorization of $96,500,000 for DPCA for fiscal year 1979. The Committee then outlined three requirements for an effective civil defense program. (1) A presidential decision regarding the role of civil defense in our national strategic policy; (2) conceive and plan in detail programs which will meet the requirements for nuclear protection defined by the President, and (3) the Executive Branch define a plan to coordinate all civil protection activities, including protection against nuclear attack.

Apparently, heeding the advice of the committee, President Carter has proposed a comprehensive reorganization of the Federal Government's emergency preparedness and disaster response programs. The reorganization provides for the consolidation of five existing agencies and six additional disaster-related responsibilities into a single structure.

The proposed reorganization merges into one agency closely allied federal programs involved with preparedness, mitigation and response to national emergencies ranging from natural and manmade disasters to nuclear attack. The current fragmentation of these programs has caused redundancy and inefficiency in the federal effort and confusion on the part of states and localities. The reorganization is designed to achieve the following objectives:

Make a single agency, and a single official, accountable to the President and Congress for all Federal emergency preparedness, mitigation and response activities;

Create a single point of contact for state and local governments, who have strongly urged consolidation of Federal emergency programs. (State and local emergency planning is generally conducted now on an "all-hazard" basis, which takes advantage of program similarities inherent in preparing for the full range of emergencies—natural, manmade and nuclear.);

Enhance the dual use of emergency preparedness and response resources at all levels of government by taking advantage of the similarities in planning and response activities for peacetime and attack emergencies; and

Provide an improved basis for determining the realtive benefits—and cost-effectiveness—of spending for hazard mitigation, preparedness planning, relief operations and recovery assistance.

The reorganization program consolidates five existing agencies into a combined unit:

The Defense Civil Preparedness Agency (Defense Department), which administers the national civil defense program and provides planning guidance and financial assistance to state and local governments for attack and, as a secondary mission, natural disaster preparedness;

The Federal Disaster Assistance Administration (Housing and Urban Development), which coordinates and funds federal natural disaster relief operations;

The Federal Preparedness Agency (General Services Administration), which coordinates civil planning for national emergencies;

The Federal Insurance Administration (Housing and Urban Development), which manages the flood insurance and hazard reduction programs. (This unit devotes the bulk of its staff to identifying flood hazard zones and assisting in the establishment of local flood plain zoning and building standards.); and

The National Fire Prevention and Control Administration (Commerce Department), which administers the federal fire prevention program in coordination with state and local governments. (The program helps communities set fireproof construction standards and implement other preventive measures.).

The reorganization transfers several other, closely-allied functions to the new Federal Emergency Management Agency:

The community preparedness programs for weather emergencies, administered by the National Weather Service (Commerce);

The Earthquake Hazard Reduction Program, Office of Science and Technology (Executive Office of the President);

The Dam Safety Coordination Program, Office of Science and Technology (EOP); and

The Federal Emergency Broadcast System oversight responsibility, Office of Science and Technology (EOP).

The consolidated agency, reporting directly to the President, will also have two emergency functions not now assigned to any specific federal agency: (1) coordination of emergency warning, and (2) federal response to consequences of terrorist incidents.

Disaster Relief Understanding

The role of Posts and Units in disasters of all types is spelled out in the Disaster Relief Understanding between The American Legion, Auxiliary and the American National Red Cross, first established in 1926. The agreement, expanded to include the American Legion Auxiliary, was given a mass distribution to every Post and Unit. President and Commanders alike are aware that this Understanding is merely a collection of words until it is put into action in their communities. Once disaster strikes, it is too late to identify facilities, train members or integrate Posts and Units into the over-all disaster relief operation.

It's impossible to predict the time and place a disaster may strike, bringing loss of life and property. However, it is possible to avoid some of the hardships of the aftermath of disaster through planning with the local Red Cross chapter. Under the agreement's broad framework, Legion Posts, Auxiliary Units and Red Cross Chapters can work out cooperative preparedness and relief plans best suited to their respective areas. It outlines the uses of physical facilities and human resources of the Legion and the Auxiliary. The pact also spells out details of fund-raising and clothing collection with which the leadership of each Post and Unit should be familiar.

The July 1978 Advance points out the Legionnaires' long tradition of "responding" wherever or whenever disaster strikes.

The American Blood Commission

During the past year, The American Legion has continued its participation as a member of the Board of Directors of the American Blood Commission. Established in 1975, the American Blood Commission is comprised of national organizations whose goal is the implementation of the National Blood Policy.

In addition to attending the quarterly Board of Directors meeting, Assistant Director James Hubbard has represented The American Legion at various other meetings of the American Blood Commission. American Legion participation in the American Blood Commission was approved by the National Executive Committee in 1975.

Blood Donor Activities

The American Legion and the American Legion Auxiliary continue to be principal sources of supply for blood. Through our vast network of Posts and Units organized into Department programs, Legionnaires and Auxiliary members through a variety of programs continue to supply the blood needs of their own members, hospitalized veterans and through cooperative agreements to patients in civilian hospitals. In the past year, the program has continued to grow.

National Commander's Awards.—To stimulate activities on the part of Departments and Posts, annual awards are made by the National Commander. In the period from June 1, 1977 to May 31, 1978, 39 Departments of The American Legion actively participated in the Blood Donor Program. The Department of Maine received the first of two National Commander blood awards for the highest percentage of Post participation—100 percent.

The Second National Commander award was won by the Department of California for the largest percentage of its membership participating in the Blood Donor Program. The Department of California has 39 percent of the membership donating blood.

Each participating Department will receive a certificate of recognition signed by National Commander Robert Charles Smith and National Adjutant Frank Momsen.

Holiday Blood Drive.—During the 1978 Holiday Season, American Legionnaires and members of the Auxiliary will be urged to give a gift of life—blood. The 11th annual Holiday Blood Donor Drive kicks off on December 7, 1978 and continues through January 8, 1979. For the past several Christmas seasons, demands for blood were exceptionally high while supplies were so critical that only emergency operations could be performed.

Numerous Departments and Posts have actively publicized the "Holiday Blood Drive" noting that this was an opportunity to establish closer ties with the community.

Posts in Action

Every year, in many different ways too numerous to cite individually, Posts and individuals are performing admirably in building and maintaining the various elements of our nation's over-all ability to meet disaster.

LAW AND ORDER COMMITTEE

W. DUDLEY ROBBINS, South Carolina, *Chairman*

The Law and Order Committee through all available channels of communication has urged Departments and Posts to get involved in community law and order activiites. While these activities vary from Post to Post and Department to Department, their collective goals are to support law enforcement throughout the nation. Here are a few guidelines and suggestions we have recommended during the past year for instilling new life into Posts "to maintain law and order":

1. Establish or strengthen the law and order committee in each Post. The topic of crime in the streets is as timely as the latest newscast, so volunteer help should be available for this need.

2. Through the law and order committee establish a working and continuing liaison with local law enforcement officials and fire fighters. Support is needed by law enforcement officers as community support varies from city to city, so a liaison group can help define the scope and direction of a law and order program. Participation in the Crime Resistance Program should be an integral part of the community support.

3. Respect for the laws of the land begins at home and at an early age. "Your Friend—the Policeman" coloring posters are available for distribution to children in primary grades.

The American Legion Crime Resistance Program was announced in February 1977. The announcement pointed out that Legionnaires have traditionally been in the forefront when challenges face this country and reaffirmed the resolve of The American Legion to work closely with the FBI and local law enforcement officials to help overcome the criminal in our midst, not through a temporary program, but through an on-going effort that recognizes crime as a never-ending hazard.

Literature was prepared and sent to all Department Adjutants outlining ways in which local American Legion Posts could actively take part. Some of the suggestions include: participation by the Post and each member in Operation ID; how to make the Post, home and individual residences a much more difficult burglary target; distribution of crime safety literature; and scheduling of crime safety presentations featuring local law enforcement representatives. In addition, "Advance" carried information on how each of the 16,000 Posts across the nation could implement the program in the local community.

In cooperation with the National Public Relations Division, a series of 30-second public service radio spot announcements was prepared and distributed to thousands of radio stations across the nation. Each spot announcement contained one or two specific simple suggestions on how to make a home secure from burglary. In addition. The American Legion News Service carries a weekly crime resistance tip designed to keep the program in the forefront.

National Emblem Sales is now carrying an invisible marking device suitable for marking valuables and an ultraviolet light suitable for viewing the invisible markings. American Legion Posts have been encouraged to purchase these items for use by members.

M. M. Eberts Post No. 1. Little Rock, Ark., provides the best example to date of what a Post can accomplish in a Crime Resistance effort. Post No. 1 published a 14-page booklet stressing crime resistance measures that can be taken at home, on the street, on the telephone, in cars, and on vacation. An initial 6000 copies were printed and distributed.

This pamphlet became the basis for an expended edition which was published by the National Security Commission in February 1978. To date, more than 39,000 copies have been distributed.

The American Legion Crime Resistance Program is viable, on-going, and important to our national interest. The Law and Order Committee encourages your participation.

Youth Programs

The American Legion in its efforts to better educate our young people about the laws which govern our society, and the agencies which enforce those laws has developed several programs which feature law enforcement training. At least eight Departments, in cooperation with State law enforcement agencies, sponsor youth programs designed to acquaint the participant with methods of basic law enforcement. The young people actually spend time with state troopers, at the various police academies learning about such diverse subjects as traffic law, police ethics, traffic control, unlawful drugs, court procedures and the responsibility of citizenship.

MERCHANT MARINE COMMITTEE

WILLIAM D. HORAN, New York, *Chairman*

From its beginning, The American Legion has actively recognized the vital relationship between merchant shipping and national security.

The Soviet Union's phenomenal expansion parallels the growth of its navy. Between 1965 and 1975, the Soviet fleet nearly doubled in both deadweight tonnage and number of vessels. In addition, the Soviet Union has the fourth largest number of vessels on order or under construction around the world and its merchant fleet is expected to exceed 23 million deadweight tons by 1986. The Soviet Union is expected to continue its expansion in the U.S. ocean-born trade, particularly liner trade, into the foreseeable future. As the Soviet intermodal fleet grows, Soviet carriage of U.S. liner cargoes are projected to increase from a 1976 level of 2.9 percent to a 1985 level of about 6½ percent.

Of significant note is that by slashing of cargo rates up to 40 percent on some sea routes, the Soviet Union's bustling merchant fleet has grabbed so much maritime trade that European shipowners are having a hard time staying afloat. Of particular irony is what may be called the German bus shipping caper. It involves the shipment in Soviet vessels of articulated buses, ordered from a West German company by a United States Government agency and paid for mostly with federal tax dollars. The Maritime Administration maintains that at least 50 percent of the buses should have been assured U.S.-flag vessels under the Cargo Preference Act. The Soviet Union under bid the Lykes Steamship Company of New Orleans by about $2,000 per bus on the freight rate.

In his second inaugural address to Congress, President Washington said: "I recommend . . . such encouragement to our Navigation as will render our commerce and agriculture less dependent on foreign bottoms." Today, that encouragement is more necessary than ever before. And for the same reason: we must not be dependent on foreign bottoms. For one, in case of emergency, this vital supply line may be incapable of delivering our military needs. For another, dependence on foreign ships means dependence on their concern—or lack of it—for our environment.

It was with these thoughts in mind that the Merchant Marine Committee recommended, and the 59th National Convention approved, Resolutions 284—"Support of State and Federal Maritime Training Institutions"; 334—"Support

Legislation to Insure that a More Equitable Amount of Oil Imported into this Country is Carried on American Ships," and 423—"Support for a Strong U.S. Merchant Marine." The 59th National Convention also approved Resolutions 511—"Ocean Marine Insurance" and 512—"Curbing of Oil Spillage at Sea."

Legislative Activity

On July 26, 1977, William D. Horan, Chairman, Merchant Marine Committee, submitted the following statement to the House Merchant Marine Subcommittee:

"The American Legion appreciates the opportunity to present its views on H.R. 1037, a bill which would require that a certain percentage of U.S. oil imports be carried on U.S. flag vessels. As this Subcommittee is aware, we are generalists in the highly complex maritime world who recognize the indispensible contribution which a viable U.S. merchant marine makes to our economic health and to our national security.

"Our support for the principle of oil cargo preference recommended by this legislation is contained in Resolution 475 which was unanimously adopted on August 24-26, 1976. The full text of this position is:

Whereas the American Legion has long been an advocate of the need to maintain a strong United States privately owned merchant marine fleet; and

Whereas the share of cargo carried by international trade by U.S. flag ships has declined to where it is less than 10 percent; and

Whereas we are concerned by the consistent inroads made by the foreign merchant fleet; and

Whereas the American maritime industry has consistently urged the Congress and the Administration to take necessary action immediately to provide a fair share of the U.S. generated cargo to be carried aboard our merchant ships; and

Whereas most maritime nations in international trade reserve cargoes to their national flag ships; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Seattle, Washington, August 24-25, 1976, That we urge the Congress and the Administration to take necessary action immediately to reserve at least 30 percent of the U.S. cargoes to be carried in the United States flag ships.

"The energy issue today is at the forefront of American consciousness and we all share in the concern that our nation imports nearly 50 percent of our oil demands. However, few Americans are aware that only 3.5 percent of U.S. oil imports were carried on U.S. vessels last year. We are not merely dependent upon other nations for the oil itself; we are far more dependent upon other nations—foreign flag ships—to actually deliver the oil to us. The American Legion believes that we must reduce both the source and the delivery dependencies. Passage of oil preference legislation would be a significant step toward lessening the delivery dependence.

HR 1037 is a long-range bill which would require 30 percent of oil imports to be carried on U.S. flag vessels by 1985. Likewise, the President's Energy Plan demands that positive steps be taken now to reduce our oil dependence in the future. Even if the most optimistic goals of the energy plan are accomplished, the United States will still be importing 14 Quads of oil in 1985—or nearly 7 million barrels per day. A decade from now, we will still need a vast U.S. tanker capability.

"Passage of oil preference legislation has both tangible and intangible advantages. The most important, we feel, is that of national security, namely that the U.S. has its own capability to move essential oil imports in secure U.S. flag ships. Additionally, the new fleet of U.S. flag tankers would be built with higher standards, inspected for safety by rigid Coast Guard standards, and manned by trained and regulated American crews. Hopefully, this will lessen the possibility of other cargo merchant disasters. Other benefits of this legislation are increased shipbuilding employment and improvement of our balance of payments by as much as $250 million annually.

"Our members are all consumers and we realize that passage of this legislation would result in an increased oil cost of roughly $0.002 per gallon. This small price, however, is greatly outweighed by the enhanced economic independence and the national security contribution of oil cargo preference legislation."

At the height of the debate on H.R. 1037, Mylio S. Kraja, Director, Legislative Division, sent the following telegram to Speaker of the House Thomas P. O'Neill and other select members of the House:

"At our recently concluded 59th National Convention, Resolution 334 was adopted which supports legislation to insure that a more equitable amount of oil imported into the United States is carried on American ships. I urge your support for upcoming legislation which would accomplish this important national goal."

The bill was subsequently defeated in a quirk of parliamentary procedure. After winning by voice vote, it was suddenly killed on a demanded roll call by a vote of 259 to 165.

National Maritime Day—1978

President Carter designated May 22, 1978 as National Maritime Day. The American Legion through the publication "Advance" pointed out the significance of Maritime Day. It stated:

"The significance of Maritime Day needs to be stressed throughout the land. First and foremost, there is the vital relationship between our nation's merchant marine and our national security posture. And second, there is the unquestionable importance of a modern and viable merchant marine in working effective solutions to the energy crisis, to our international balance of trade deficit, and to the Soviet surge for global supremacy on the high seas."

MILITARY AFFAIRS COMMITTEE

DONALD D. HILDEBRAND, Tennessee, *Chairman*

During the past year, your Military Affairs Committee has directed its major efforts toward attaining and then maintaining a strong and modern United States Armed Force, second to none in the world. We believe the times deserve no less. Our activities have been guided by eleven resolutions adopted by the 59th National Convention and subsequent National Executive Committee action:

Resolution No.	
88	Draft Evaders and/or Deserters
227	Support Department of Defense Programs to Stimulate Increased Enlistment in the Reserve Forces
330	U.S. Army Strength
331	Medical Care for Military Retirees
332	U.S. Armed Forces Unionization
336	Oppose any Reduction in Appropriated Fund Support for Military Commissary Stores
380	Military Reserve Retirement Benefits
381	Universal Military Training
452	Re-establish Selective Service System
456	Military Retirees
2	Military Doctor Shortage
3	Enhanced Radiation Weapons

Wide dissemination was given to these resolutions to Congressional, government, military and industry leaders to inform them of our mandates for supporting a strong and modern military force and Reserves. A bound volume of the resolutions was presented to the Secretary of the Army, the Chief of Staff of the Army, and to the Secretary of Defense. These resolutions were also contained in a bound volume of American Legion resolutions presented to President Jimmy Carter by National Commander Robert Charles Smith. Considerable publicity was given to the Military Affairs resolutions throughout the year in the ALNS, The American Legion Magazine, the National Security/Foreign Relations Bulletin and Department and Post publications.

Legislative Activities

In addition to providing bound volumes of the Military Affairs resolutions to the House and Senate Chairmen of the Armed Services Committees, the Assistant Director, James B. Hubbard, appeared before the Senate and House Defense Appropriations Subcommittees on April 12 and 20, 1978, respectively. Excerpts from his testimony follow:

"There is a growing uneasiness among our membership, and, indeed, among all citizens of our country, over the decade-long buildup and modernization of Soviet military power. The Soviets have a standing armed force of 4.4 million men and women with another 6.8 million of their reserve force having seen service within the past five years. Four new strategic ICBMs are currently being developed and will be fielded by the Soviets in the next few years.

"The Soviet navy outnumbers us 4–3 in principal surface combatants and 3–1 in general purpose submarines. Their surface naval units are generally more heavily armed than ours. Soviet civil defense is considered an integral part of their military strategy with the result that protection for a significant number of key leaders and industrial workers is provided and being improved.

"We are concerned that a perception on the part of Soviet leaders that they enjoy a strategic and operational advantage over the U.S. and its allies will result in Soviet aggression or political coercion at our expense.

"To counter this growing threat, it is imperative that Congress appropriate the funds necessary to build the strategic weapons and ships that our armed forces require. Accordingly, we urge your support for each resolution contained in this statement.

"Our current Submarine Launched Ballistic Missile (SLBM) force was built at a much faster rate than the Trident, which is the planned replacement. The Trident is behind schedule by almost three years from the original plan. The result of these two facts will be a significant decline in the number of SLBMs in the late 1980s and early 1990s—even if the present Poseidon boats have their life extended. We urge the Congress to monitor the situation closely and provide the funding necessary to prevent the decline."

Reserve Forces

"Since the fiscal year 1979 budget requests a 35,000-man cut in the Naval Reserves, the Navy is the only service that is not suffering from a reserve recruiting problem. The cut proposed will eliminate all Reserve helicopter ASW capability; four reserve fleet logistic support squadrons; more than half (9 of 17) Reserve mobile construction battalions; all the auxiliaries and support activity categories; and a substantial portion of the tactical mobility category. In view of the Navy's already questionable capability, to provide for the accomplishment of its assigned mission, we question the advisability of these substantial personnel cuts.

"The Army and the Air Force are facing serious Reserves recruiting problems. The Army personnel chief, Lt. Gen. DeWitt C. Smith, testified before Congress that the impact that an all-volunteer concept has had on Reserve strength and Individual Ready Reserve strength was considerable and unanticipated. Latest IRR strength figures show a total of 147,000 with an additional 143,000 in the standby Reserve against a wartime IRR requirement of 769,000. Since the IRR is the primary source of casualty replacements and fillers for both new and existing units, the level is critical in the early stage of mobiliztaion. The American Legion supports funding for educational incentives and re-enlistment bonuses for the Reserves and National Guard.

Mr. Chairman, the Secretary of Defense acknowledges that Soviet military strength has been increasing steadily at a rate of 3–4% per year in real terms for 15 years, that it exceeds our own capabilities in many categories, and that grave problems in areas vital to our national interests are the result.

"We must aggressively turn our technological advances into military hardware that can be placed in the hands of our fighting men and women for that is the only place where it counts. I urge this Congress to follow President Carter's call and I quote: "We will not allow any other nation to gain military superiority over us."

"While we make no claim to any special expertise on the complicated matters which this committee must face, this statement does represent the will and best judgment of our members on the minimum needs to maintain peace in the face of Soviet Arms expansion."

The American Legion did not neglect the "people issues" associated with service in the armed forces. National Security-Foreign Relations Research Associate Spencer Leonard monitored the deliberations of the President's Commission on Military Compensation to insure that our Nation can continue to maintain a young and vigorous armed force. National Security Chairman Francis P. Kane (Ill.) submitted a statement for the record to the Commission. Portions of that statement follow:

"While most of these resolutions speak for themselves, and we feel assured that the Commission has compiled a voluminous record of the problems involved in the compensation system, we deem it appropriate to highlight some of the issues as expressed in these resolutions.

"First and foremost, we believe that any actions taken to adjust the current compensation must apply only to those who come on board subsequent to such action. Second, if adjustments are considered necessary in active duty compensation, then they must be within the parameters set forth by the Chief of Staff of the Army, General Bernard W. Rogers. In his testimony before this Commission on December 21, 1977, he said: '. . . I wish to emphasize that any military compensation system must be fair. It must be fair to those who serve and have served, and it must be fair to all taxpayers—including those in uniform—who must pay for it. Perceptions play an important role here. Service members must perceive that their work, some of it for a lifetime, is adequtaely recognized and valued by the public they serve. The public similarly needs to be satisfied that it's dollars for military compensation are spent wisely and justly. Both groups share a concern that the compensation system contributes fairly and sensibly to the motivation, morale and effectiveness of our Armed Forces . . .'

"As to the dual compensation area, we believe that the so-called 'retirement' pay is earned deferred compensation and it should not be considered in any subsequent employment of the retiree, be it civil service or otherwise. To do so would cause a significant impact on the morale of the active duty force as well as causing a loss of highly qualified individuals to the Federal Government.

"We do not consider the current retirement system over-generous. As the Chiefs have testified, the current retirement system is a primary ingredient in maintaining a young and vigorous force so necessary to meet the current combat situations. We do support correcting the inequity that exists today between the officer and enlisted man whereby the officer received a lump-sum separation payment if involuntary separated prior to attainment of 20 years service and the enlisted man gets nothing.

"In conclusion, I would refer to our testimony before the House Armed Services Investigation Subcommittee on October 13, 1977:

"At the roots of the debate over unionization is the fact that active duty service people have become extremely concerned over the erosion of benefits either real, threatened or perceived . . . These proposed reductions and constraints have become almost continuous in recent years. Taken together, they have come from many quarters and in an uncoordinated way. When taken in a public climate, these actions have created a strong and continuing sense of uncertainty, loss of confidence in, and frustration toward their political leaders, sensing that they no longer speak in the interest for or are even sensitive to the problems of the military members.

"These are the problems which must be squarely faced by the Commission, and as I mentioned before, lie at the root of the issue. The military community consciousness is focused on the decisions and recommendations of your Commission. When these are made, they will have a profound and perhaps permanent impact on the future nature and character of the U.S. military establishment."

During the debate on the Defense Authorization bill in the House of Representatives, it became apparent that a serious attempt would be made to make some rather substantial cuts. Responding to this threat, National Commander Robert Charles Smith sent the following telegram to 30 carefully selected Congressmen:

As the House of Representatives approaches the debate on HR 10929 (Defense Authorization bill), I urge your support for the $38 billion approved by the Armed Services Committee as the minimum necessary to provide for the common defense.

The Committee bill provides the real growth in the defense budget needed to offset the tremendous increase in defense spending by our potential enemies over the past decade.

Opponents of the Committee version say the American people want to hold the line on defense spending. The American Legion believes the American people want a stronger defense than we have. HR 10929 will contribute to that stronger defense.

Of the two Congressmen contacted, 26 voted for the Legion position; 2 voted against, and two did not vote.

NATIONAL SECURITY COUNCIL

WILBUR WALKER, Virginia, *Chairman*

During the year, the National Security Council focused its attention on programs to assist the armed forces in achieving and maintaining necessary levels of qualified manpower. A recently released Rand Corporation report concluded that the All Volunteer concept of manning the active Army, Navy, Marine Corps and Air Force "worked."

What the Rand report did not do was to assess the impact of the All Volunteer force against the Total Force concept. If a judgment on the success or failure of the All Volunteer force is limited to active elements alone, yes, the idea is a marginal success. Through hard work and the expenditure of hundreds of millions of dollars in advertising costs, the active services are getting enough men and women to keep their ranks substantially filled. But when you look at the Total Force—the amalgamation of active and reserve forces, that we have devised to meet our security obligations without help from the Selective Service—then the All Volunteer force is a complete failure.

Assistant National Security Director James B. Hubbard testified before the Senate and House Subcommittees on Defense that, "Since the fiscal year 1979 budget requests a 35,000 man cut in the Naval Reserves, the Navy is the only service that is not suffering from a reserve recruiting problem. The cut proposed will eliminate all Reserve helicopter ASW capability; 4 reserve fleet logistic support squadrons; more than half (9 of 17) Reserve mobile construction battalions; all of the auxiliaries and support activity categories, and a substantial portion of the tactical mobility category. In view of the Navy's already questionable capability to provide for the accomplishment of its assigned mission, we question the advisability of these substantial personnel cuts."

The Army and the Air Force are facing serious Reserve recruiting problems. The Army personnel Chief, Lt. Gen. DeWitt C. Smith testified before Congress "that the impact that an All Volunteer concept has had on Reserve strength and Individual Ready Reserve strength was considerable and anticipated. Latest IRR strength figures show a total of 147,000 with an additional 143,000 in the standby Reserve against a wartime IRR requirement of 769,000. Since the IRR is the primary source of casualty replacements and fillers for both new and existing, the level is critical in the early stages of mobilization."

The American Legion supports funding for educational incentives and reenlistment bonuses for the Reserve and National Guard. Also, a recent report prepared for Congressman Robin Beard (D–TN) calls the "Total Force a failure due to losses in reserve strength." The Senate Armed Services Committee has issued a mandate to the Secretary of Defense to study alternatives to the current all volunteer force. In issuing the mandate, the Committee stated: "... The Committee requires the Secretary of Defense to submit, by December 31, 1978, a study assessing the costs and consequences of alternatives to current policies, including but not limited to:

(1) Changes in existing Selective Service Laws to improve both the effectiveness and fairness of the Selective Service System in the event it is needed;

(2) Changes needed for an effective Standby Draft for active or reserve forces including:

(*a*) Mandatory Selective Service registration at age 18;

(*b*) Aptitude testing and medical examinations in high schools or for registrants at time of registration instead at time of enlistment;

(*c*) A standby system to classify registrants in the event of mobilization;

(3) Alternative ways to improve and increase military recruiting including:

(*a*) Access to high school students at or following registration by active and reserve military recruiters and other counselors;

(*b*) Changes in current quota or other tasking systems for recruiters, incentives in compensation or assignments, and changes in the size of the recruiting force.

"This study should consider both the costs of implementation of the programs mentioned and the potential cost savings and cost avoidance which might occur. The study should include comments from the military services as to their special circumstances and perspectives. The Secretary of Defense may include any additional evidence or alternative programs which he may have studied."

Universal Military Training

Recognizing the trouble the Armed Forces were having in recruiting both active and reserve personnel, the 59th National Convention adopted Resolution 381, which resolved: (a) we strongly urge the National Commander appoint a committee to revitalize The American Legion's efforts to legislate a system of Universal Military Training; (b) the Executive Branch of the Government, in close consultation with the Congress, draw up a broad and equitable plan for a truly universal military training for all U.S. citizens in a specific age group; and, (c) upon completion of this plan, it be held in readiness to be formally and unequivocably presented to the Congress for implementation should the expense and experimental reliance upon the "all-volunteer force" prove to be unworkable, or, for any reason, fall short of doing the needed job.

The UMT Committee appointed by the National Commander met in Washington, D.C. on February 21, 1978. Panel members at the meeting included: Francis P. Kane, Chairman, National Security Commission; Donald D. Hildebrand, Chairman, Military Affairs Committee; S. Perry Brown, Past National Commander; William M. Detweiler, National Commander's Representative on the Convention Committee; Charles A. Reese, Consultant for the National Security Commission, and Byron V. Pepitone, guest consultant and former Director of the Selective Service System. After reviewing numerous documents and reports on the All Volunteer force and the Selective Service System, the committee adjourned for further research and study by the staff and individual members. The committee will meet again when Senator Sam Nunn's Defense Manpower Subcommittee study results are made public.

Selective Service System

The Office of Management and Budget (OMB) is conducting a review of the independent agencies in the executive branch of government in an attempt to justify, reorganize or eliminate, as appropriate. One of those projects involves a reorganization study of the Selective Service System.

Washington Office Executive Director G. Michael Schlee and National Security/Foreign Relations Assistant Director James B. Hubbard attended a meeting at the White House where the views of veterans groups and military associations were solicited by the study group. The following statement was submitted to the study group as the position of The American Legion:

The American Legion's position on Selective Service is contained in Resolution 452 passed unanimously by the 59th National Convention in Denver, Colorado in August 1977. A copy of the resolution was given to the study group and our views on Selective Service were discussed.

The Military Selective Service Act of 1967, as amended by Congress in 1971, provides that: The Selective Service System shall be maintained as an active standby organization with (1) a complete registration and classification structure capable of immediate operation in the event of a national emergency, and (2) personnel adequate to reinstitute immediately the full operation of the system.

To justify implementing this Congressional mandate and indeed to justify the maintenance of a standing armed force, one must look for an external threat to the existence of the United States as a free nation. If this threat exists, there is then a possibility of international conflict in which the standing armed forces may very well be involved at some level of intensity. Since the armed forces are not immune to casualties, the forces must be backed by the capability to provide military manpower on a crash basis. The United States does not now have that capability.

Current planning by the Department of Defense calls for the standby draft to deliver 100,000 inductees within 30-60 days following the decision to mobilize, and 650,000 within 180 days. To provide the assigned manpower, local boards must be reconstituted and a new registration program must be implemented.

The present system is no more than a centralized planning activity whose basic task is to plan for a potential reinstitution of the draft under an emergency condition which may arise in the future. Given the current authorized manning levels in the Selective Service System, to transform the agency into an organization capable of providing the necessary manpower to our armed forces under the time constraints required by current planning, would be a very formidable undertaking.

Some consideration has been given to merging the Selective Service System into the Department of Defense, presumably under the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. While such a move may seem attractive on the surface from a management standpoint, it would not be advantageous when examined in depth.

Historically, the cornerstone of the Selective Service System has been the jurisdiction of the local board over all eligible personnel in its area to include the responsibility for registration, issuance of induction orders, and initiation deferment requests for individual registrants. While the merger proposal might very well accelerate the induction process to some extent, we believe that the local board has had and should retain the responsibility to each registrant and the community at large. This is possible only if classification initiation action remains with the local board. We, therefore, recommend that Selective Service be retained as an independent agency.

In conclusion, The American Legion's position on the Selective Service System is as follows:

1. The system is a necessary preparedness measure and should be maintained independently as such.
2. The local boards should bear the primary responsibility for induction and classification decisions concerning registrants.
3. We urge the budgetary support necessary to restore the Selective Service System to the level required by the Selective Service Act of 1967, as amended.

It was encouraging to see the views of those organizations who have had direct knowledge and experience with Selective Service considered.

Unionization of the Military

On September 16, 1977, the Senate by a vote of 72 to 3 passed S. 274 which prohibited any member of the armed services from joining a labor organization. S. 274 also included National Guard and Reserve Technicians which heretofore had been allowed to join unions. In replying to an amendment that would have excluded National Guard and Reserve Technicians from the bill, Senator Strom Thurmond (R–S.C.) countered that many Guard and Reserve units were performing active missions 24 hours a day and could not afford the disruption caused by union grievance proceedings over military disciplinary matters. He cited as an example, a Guard unit in Pittsburgh that had been involved in litigation for more than a year over a commander's order that technicians wear their uniform shirts inside their trousers when serving in their civilian capacity.

G. Mchael Schlee, Director, National Security-Foreign Relations Division, appearing before the House Armed Services Investigations Subcommittee, testified:

"On September 7, the leaders of the American Federation of Government Employees announced that the general membership voted not to begin recruiting active duty military personnel into union ranks—for now. We note, however, that despite the overwhelming vote (4–1) against signing up the troops, the union leadership has decided to oppose passage of S. 274. In view of this fact, The American Legion believes that the issue is not moot; that there is still a need for legislation to prohibit labor unions from recruiting military members.

"I would like to point out at this juncture that The American Legion is not anti-union. We are simply pro-military. In fact, many of our membership are also union members. The right of workers to organize trade unions to protect their economic interests through a democratic organizing process is over 100 years old. Unions have given a clear moral and psychological boost to the working man as well as an effective voice in bargaining. Society at large has also benefited from unions counter-balancing the strong influence of industry. Military society, however, is not society at large.

"The right of unions to strike is almost as old as the unions themselves. This right, a common contract clause in civilian industry, is downplayed by those union leaders seeking to organize the armed forces. They cite federal laws and regulations prohibiting strikes by federal employees. These laws and regulations do in fact exist, but they did not prevent a costly postal workers strike several years ago. When asked whether there would be a no-strike clause in any potential agreement between his union and the military, AFGE President Kenneth Blaylock replied: 'The AFGE constitution does not have a no-strike clause. We took that out many years ago. We'll be organizing the military under our constitution.' So much for the strike issue.

"The AFGE leaders believe that the military needs to become a democratic society. Their National Vice President Kenneth Kaplan has stated, 'We now have a professional army. It is subject to very little control. . . . The Congress has very little check on what happens in the military.' Apparently Mr. Kaplan believes that the President, the Congress and the civilian Service Secretaries have no effective control over our military.

"These pro-union arguments represent a distinct challenge to the leadership of the military chain of command. This challenge is the very heart of the issue. It is our belief that no question can be left open as to the fight of command in the officer, or the duty of obedience in the soldier. A foxhole, a ship in combat, or a bomber on a tactical mission are not places conducive to the democratic process.

"The very survival of a soldier, sailor or airman engaged in combat is dependent upon each man's instant and unquestioning obedience to orders from his commander. A military commander, therefore, seeks to achieve good order, discipline, and obedience at all times from all personnel, so that he can be assured that the men and women under his command are prepared to respond to his authority in the event of actual combat. Such 'trivial' matters as haircuts, saluting, and correctness of uniforms are not punitive and degrading. They are, in reality, manifestations of the military commanders authority over the personal preferences of his personnel and are a constant reminder to them of his authority.

"These 'trivial' matters are the very ones targeted by union organizations for negotiation. Although the commander's authority would not be questioned on purely military matters, an atmosphere would be created where his authority can be questioned, and subjected to negotiation. This would have disastrous effects in terms of lives in a combat situation.

"The inescapable fact is that the military is not, nor should it become, a democratic organization. The United States Supreme Court has held that the needs of the military are unique and paramount over Constitutional rights of individuals.

" '. . . the rights of men in the armed forces must perforce be conditioned to meet certain over-riding demands of discipline and duty.' (United States Ex. Rel. Toth vs. Quarles 350 US 11, 1953.) Similarly, in Parker vs. Levy, 417 US 733, 1974, the Supreme Court stated in part:

'The fundamental necessity for obedience, and the consequent necessity for impositions of discipline, may render permissible within military that which would be constitutionally impermissible outside it.'

"At the roots of the debate over unionization is the fact that active duty service people have become extremely concerned over the erosion of benefits either real, threatened or perceived. Indeed, the National President of the AFGE insisted that service personnel had sought unionization as a protection against Congressional and Executive restraints on military pay raises and reductions in traditional military fringe benefits.

"These proposed reductions and constraints have become almost continuous in recent years. Taken together, they have come from many quarters and in an uncoordinate way. When taken in a public climate, these actions have created a strong and continuing sense of uncertainty, loss of confidence in, and frustration toward their political leaders, sensing that they no longer speak in the interest for or are even sensitive to the problems of the military member.

"These are the problems which must be squarely faced by the Congress and as I mentioned before, lie at the root of the issue. The American Legion stands ready today to assist in the solution of these problems in any way possible.

"In the meantime, we support legislation to prohibit unionization of the armed forces. We believe a strong, disciplined and effective armed force is absolutely essential to the survival of our great country in the world today. We also believe that a unionized armed force would be weaker, less disciplined, and less effective; and would in fact, seriously erode the nation's military capacity."

The bill when forwarded to the House of Representatives was duly referred to the Armed Services Committee and the Post Office and Civil Service. The House Armed Services Committee has acted favorable on the bill minus the technicians provisions but the Post Office and Civil Service Committee has yet to act.

Reserve Officers Training Corps Program

The historic support of The American Legion for a strong and viable Reserve Officers Training Corps (ROTC) was reaffirmed by Resolution 367-76 adopted at our 59th National Convention. We resolved to staunchly support both the Reserve Officers Training Corps and the Junior ROTC as exemplifying strong links in the traditional role of the citizen-soldier in this country and as one of the most outstanding programs for producing military officers and future leaders of our nation. We also strongly recommended that all college and university students take advantage of the tremendous opportunity for training, leadership and achievement which the ROTC presents.

Department and Post Activity.—Fifty of the 53 Departments having ROTC units supported ROTC programs by either awarding or encouraging Posts under their jurisdiction to award and participate in The American Legion's ROTC Medal Program. Response to this program has been outstanding. During the period from July 1, 1977 to June 30, 1978, 1069 medals have been awarded to deserving ROTC and Junior ROTC candidates. Presentations of medals were made to 321 ROTC units in 48 states, the Departments of France, Spain, England and Puerto Rico.

Paul H. Griffith ROTC Trophy.—The National Executive Committee at their October 1975 meeting approved Resolution 21, which established the Paul H. Griffith Trophy to recognize The American Legion Department demonstrating the most support for the ROTC program in their states during the year. The trophy honors the memory of Past National Commander Paul H. Griffith, who served as an Assistant Secretary of Defense and throughout his life maintained an active interest and participation in our nation's defense.

Criterion for judging the winner of the trophy is based on the Department giving the greatest degree of support to the Reserve Officers Training Corps Programs to include, but not be limited to, the number of medals presented and Legion participation in awards day ceremonies this year.

After due consideration of the number of medals prepsented, the number of Award Day ceremonies participated in by Legionnaires, and the number of Posts compared to the number of ROTC units located within the Department's jurisdiction, the cowinners for the 1977–78 award are the Departments of Delaware, Maine, Minnesota, Nevada and the Panama Canal Zone.

NAVAL AFFAIRS COMMITTEE

JOHN J. WRENN, Massachusetts, *Chairman*

Five resolutions adopted at the 59th National Convention in Denver, Colorado charted the course of action for the Naval Affairs Committee during the past year. These resolutions called for maintaining Naval Reserve strength at 102,000, modernization of the U.S. Navy, continued support of the Trident weapon system and support of Project Seafarer.

National Strategy Information Center, Inc., publication entitled "Arms, Men, and Military Budgets," reports that U.S. Navy General Purpose Forces have declined over 50 percent in the past decade. Programmed shipbuilding for the next five years—if it remains on schedule will arrest and slightly reverse the trend, and will have a considerable modernizing effect. But the renewed growth will not match the continued expansion of the Soviet navy. They recommend continued emphasis on systems to take advantage of geographic constraint on the Soviet navy, including surveillance systems, nuclear powered submarines, and deepwater mines.

Emphasis on both development and procurement of counters to Soviet air and missile anti-ship strength including: development of surveillance and early warning systems, air and missile defense systems (Aegis, SM-2 missiles, ASMD Anti-ships Missile Defense System, Phalanz close-in defense system) and ASW; and procurement of F-14A and E-2C aircraft and ASW system-helicopters, towed sonar arrays, and again, nuclear-powered attack submarines.

Accelerated R&D and deployment of anti-ship systems, notable air-to-surface, and surface-to-surface missiles (Harpoon, Tomahawks, new systems). Develop smaller, cheaper aircraft carriers that can be deployed in larger numbers—emphasis on R&D on VSTOL (verticle/short-takeoff-and landing) aircraft to keep open the option for the development of numbers of such aircraft in the U.S. Navy of the 1990s.

In a suppressed report on United States/Soviet Military Balance, prepared by the Library of Congress, it was stated: "Ten years ago, the Soviet navy had already out-stripped the United States 2 to 1 in attack submarines (336 to 169), but its surface fleets had just begun to break out of their coastal cocoons and compete on the high seas. Today, they have more major combatants in every category except aircraft carriers, and a virtual monopoly on surface-to-surface anti-ship cruise missiles, which are mounted on cruisers, destroyers, submarines and small craft. The Soviets have even surpassed us in numbers of amphibious ships, ending once dramatic U.S. dominance, not because they built more, but because we have halved our force since 1965."

The recommendation of the Naval Affairs Committee, adopted at the 1977 National Convention, if followed by Congress, would reverse the trend of yielding naval superiority to the Soviet Union.

To gain the widest possible publicity of The American Legion's stand on the posture of the United States Navy, our resolutions were widely disseminated on a continuing basis. They were formally presented to President Carter by National Commander Robert Charles Smith during his visit in February 1978. Additionally, Commander Smith personally presented the resolutions to the Commandant of the Marine Corps; the Chief of Naval Operations, and the Secretary of Defense. Copies of resolutions were also provided the Chairmen of the Senate and House Armed Services and Appropriations Committees.

Legislative Activities

The major implementation of the resolutions were in the form of testimony presented to the Subcommittee on Defense Appropriations of the House and Senate by James B. Hubbard, Assistant Director of the National Security Division, on April 12 and 20, 1978. In supporting the fiscal needs of the U.S. Navy, Mr. Hubbard testified:

"The mission of the United States Navy is to insure the use of sea lines of communication to ourselves and our allies, to deny their use to any enemy, and to project power ashore. Their mission makes no mention of any particular area of the world. The Navy is, therefore, expected to carry out this mission in any or possibly every area of the world where a conflict involving U.S. military forces may erupt. There is a great deal of doubt as to whether today's Navy or tomorrow's can carry out this mission. Indeed, the Chief of Naval Operations has testified in Congress that he cannot guarantee the sea lanes beyond Hawaii if trouble were to erupt in the Atlantic. He simply does not have enough ships.

The budget proposed by the Administration calls for a further reduction in the Navy in terms of shipbuilding, and a 10,000 man reduction in fiscal year 1979 end strength. The Administration also:

Has proposed to drop funding for the surface effects ships—killing one of the Navy's few innovative programs since the advent of nuclear power;

Has made no decision on what the major strike element of the fleet will look life. If the "midi-carriers" are to be the nucleus of the new Navy Task Force, then time must be allowed for design and construction. The present fleet is getting no younger;

Has sought to reduce the Naval Reserve by 35,000 men; and

Has made no mention of a five year shipbuilding program;

Thus, with last year's cut from 159 to 100 ships guarantees that the Navy will not have a 600-ship fleet in this century.

"The bottom line is that the fiscal year 1979 budget asks for only 15 ships. Mr. Chairman, we urge funding to restore the Navy to the size necessary to carry out its mission wherever and whenever it may be called upon to do so."

The Senate Armed Services Committee added $1.9 million for a fourth Nimitz-class nuclear aircraft carrier. In approving this additional amount, the Committee said: "The Committee fully supports the retention of 12 large deck aircraft carriers and recognizes that for such a force to be maintained, one additional large deck aircraft carrier must be constructed. The Committee is of the view, consistent with its position of previous years on this important matter, that if one additional large deck aircraft carrier is to be procured, such a carrier should be an additional nuclear-powered vessel of the Nimitz-class design. Though the CVV may be a less costly alternative to the CVN, the Committee does not believe that the margin of savings outweighs the margin of mission effectiveness if only one additional large carrier is to be built."

The House Armed Services Committee also provided for the procurement of a Nimitz-class aircraft carrier.

PUBLIC RELATIONS COMMISSION

C. D. DeLOACH, District of Columbia, *Chairman*

FREDERICK WOODWORTH, District of Columbia, *Director*

Public Relations embarked upon the 1977–78 American Legion year, going into our Denver National Convention under the omnibus prediction: If you expect to make news in Denver you will have to buy an ad.

We didn't buy an ad, but we did receive excellent local news coverage of our Convention through both electronic and print media, and we succeeded in placing numerous articles on the national wires of Associated Press and United Press International.

We had an issue, an important national issue—the Panama Canal—and from the time the National Commander landed at the Denver Airport, where he conducted a news conference on his arrival in the Convention city, until we elected a new National Commander and departed Denver, we were in the news in generous space and time slots each and every day.

With an auspious start to the new American Legion year, the Panama Canal continued to command much public relations time and effort in support of the National Commander and of the organization's total effort in opposition to the new treaties, including an appearance by the National Commander on the ABC-TV network shows "Issues and Answers" the first Sunday after the National Convention. This support continued right through the Washington Conference and the final Senate vote on the second treaty.

Other developments during the 1977–78 American Legion year included support for the National Commander's testimony before the House and Senate Committees on Veterans Affairs, which took place in the fall of the year rather than the traditional appearances at the time of the Washington Conference.

We accomplished an updating and re-printing of our Public Relations handbook, "Help For The Post Public Relations Officer," and did an all-post mailing of the revised booklet during January, 1978. We strongly hope this will be used.

Also in January we put into operation at the Indianapolis Public Relations Office a code-a-phone installation which enables us to provide a new service to radio in that we can record the voice of the National Commander or other American Legion spokesmen on vital issues of the day. Any radio station or TV, if they wish, can dial the code-a-phone number and receive information on The American Legion's position on breaking news events. We are now seeking ways to improve the usefulness, and thus the use, of this new outlet which currently is receiving an average of one hundred calls a month. On weekends, unless there is breaking news on a Friday that will hold through the weekend, we have been placing a feature on American Legion programs on the instrument.

Our Washington Conference Public Relations Luncheon was attended by 846 guests, the largest number ever, and Stan Smith, professional tennis player and recipient of the National Commander's Public Relations Award was a popular selection for the honor.

During the Washington Conference an American Legion effort to assist in the energy crisis was launched and total PR support was given to that effort in the form of continuing news releases starting in District of Columbia and continuing after our return to Indianapolis with professional assistance provided in the development of a television spot for use in the areas declared critically short of energy.

We have provided a staffer as liaison to Economic and Legislative Commission to help fight the battle of veterans preference and, as with the Panama Canal, requested our American Legion editors to hold front page editorial space for a message on this issue so vital to veterans and to The American Legion. Public Relations also did the final re-write of that editorial.

Our public service spot program continued through the year with spots provided radio and TV, including slides for the latter, on Veterans Day, Memorial

Day and our Hire The Veteran Program. On site PR support was given to American Legion Baseball and Oratorical contest, and major assists have been provided to The American Legion Magazine, basically photographically, as in the past two years.

In cooperation with Internal Affairs we produced a series of television spots to promote the National Convention's Musical Spectacular to be conducted in the Louisiana Superdome.

As this report is prepared, we are fully occupied with preparations for the 1978 National Convention, including preparation of copy and editing of a sizeable portion of the National Convention souvenir program, and preparation and distribution of a substantial volume of news material for a series of preconvention stories to run through June, July and early August.

An advance visit was made to the Convention city, and in cooperation with our local public relations consultant for Convention, advance calls were made to many of the newsrooms with which we will be working during Convention. Prospects are good for high local news media interest in the Convention.

We have acquired some motion picture capability during the year through purchase of a camera which will give us some capability of developing our own film footage for spot announcements and special promotional programs such as future conventions, and will permit us to accumulate motion picture footage of American Legion programs and projects that should serve as a library, or original source material in the event another American Legion film should be produced.

We have proposed sponsoring an American Legion display booth at the Radio and Television News Directors Association Convention in Atlanta, Ga., which should give us fresh new contacts with this area of the media with one of our staffers manning the booth.

Our Fourth Estate Award selectees for 1978, renowned cartoonists Milton Caniff (Steve Canyon and others) and Mort Walker (Beetle Bailey and others) gave us an excellent and widely disseminated pre-convention news peg, as did announcements of the appearance of newsmakers such as General Singlaub as participants in our Convention.

We have continued to provide speech research and preparation assistance to the National Commander, as well as to provide suggested speeches and a speaker's guide for American Legion speakers, and our production of American Legion News Service and an accompanying photo service for American Legion editors has been a continuing function.

THE AMERICAN LEGION MAGAZINE COMMISSION

MILFORD A. FORRESTER, South Carolina, *Chairman*

BERTRAM G. DAVIS, New York, *Publisher*

During 1978 all of the functions of The American Legion Magazine were consolidated at National Headquarters of The American Legion in Indianapolis, Indiana, except those relating to the procurement of advertising. The editorial and production offices, which were moved from New York to Washington at the outset of 1976, will be re-located at 700 North Pennsylvania Street, Indianapolis, Indiana 46206 by October 1. On June 30th the New York office was closed concurrent with the retirement of Publisher James F. O'Neil.

Publisher's representatives operating in the New York, New England, Mid-West and the Pacific Coast areas will continue to handle advertising pending any revision of this programing before the year's end.

All of the steps that have thus far been taken are considered essential to the economic life-blood of the magazine which continues to be plagued by the rising cost factors in producing and distributing it to the more than 2,650,000 members of The American Legion.

At the May meetings of the National Executive Committee, upon the recommendation of The American Legion Magazine Commission, decision was made to enter into a three-year printing contract with Kansas Color Press—another action dictated by economics. The first issues produced at the Lawrence, Kansas plant were the September 1978 copies.

Costs of paper, printing and the Postal Service continue to be the chief concerns in planning the day-to-day operations and the future of this and, we assume, other print media. Only three years ago The American Legion substantially increased its dues structure to aid the magazine, but the expenditures for the items listed above are gradually diminishing the revenues realized from the increased dues.

The most dramatic rise has been for second-class postage. In 1978 the cost for same will be more than one million dollars compared to $411,108 in 1974 when the Postal Reorganization Act was enacted. When the phase-out schedule of mailing charges is reached in 1987 the cost for mailing our publication will exceed two million dollars.

Outlays for paper and printing also are part of the upward trend in expenditures. In 1974 The American Legion paper costs were $1,111,974. This year's bill will be more than $2,000,000. Four years ago $834,057 was spent for printing. In 1978 the cost will approximate $1,125,000. The impact of these rising cost factors probably can be more readily understood when we examine them over a period of the past five years, to wit:

	Paper	Printing	Postage
1974	$1, 111, 974	$834, 057	$411, 108
1975	1, 495, 584	991, 412	467, 748
1976	1, 641, 631	947, 135	614, 242
1977	1, 789, 966	1, 024, 751	726, 572
1978 (projected)	2, 200, 000	1, 125, 000	1, 010, 000

Printing Costs

The cost of printing (including composition) The American Legion Magazine from January, 1977, through *January 1978, (*produced in December 1977) follows:

Issue	Number of pages	Press run	Actual cost	Cost per 1,000 copies
1977				
January	56 and cover	2,674,000	69,232.32	25.89
February	56 and cover (bind-in card)	2,665,000	71,807.22	26.94
March	48 and cover	2,652,000	68,828.57	25.95
April	56 and ocver (bind-in card)	2,643,000	72,296.48	27.35
May	48 and cover	2,637,000	67,279.92	25.51
June	do	2,642,000	68,949.03	26.10
July	do	2,642,000	68,268.11	25.84
August	do	2,646,000	68,056.98	25.72
September	52 and cover	2,640,000	76,982.74	29.16
October	56 and cover	2,635,000	98,097.99	37.31
November	60 and cover	2,640,000	101,221.40	38.49
December	48 and cover (bind-in card)	2,641,000	77,476.02	29.34
1978				
January	56 and cover	2,630,000	88,632.23	33.70

The income from advertising in 1977 reflected the general upward trend in the industry and in keeping with the increased returns enjoyed by The American Legion Magazine since 1968 when the direct sales force in New York and Chicago was eliminated in favor of a Publisher's Representative. Even though an all-time high was established last year, the increase did not begin to match the previously mentioned rising costs. The upturn in advertising income has continued into 1978, and, hopefully, it will be maintained for the balance of the year. In an effort to rationalize the increase in subscription (dues) prices the ad rates were upped 8 percent on July 1.

The hallmark of The American Legion Magazine has been the quality of the product, which it is hoped can be maintained. Long established policy calls for a publication featuring editorial content of general interest as well as some pages devoted to the special concern of veterans.

The American Legion Magazine started as a weekly in 1919 within a few weeks of the birth of The American Legion in that year. The original editorial concept was that it should serve very largely as a service publication for individual members and local units. This was always impossible although it could do more in that direction than the present monthly, published one-fourth as frequently. The Weekly couldn't possibly run every notice asked of it. Some members got what they wanted and there was no space for others. Some were happy and others were made angry.

Financial policy in 1926 directed that the magazine be converted to a monthly. The text of the authorizing resolution follows:

"Whereas in The American Legion Monthly there has been given to the American public a magazine which has been enthusiastically received not only by The American Legion but by the general public as well and,

"Whereas this reception has behooved (sic) additional prestige upon our organization,

"*Now therefore be it resolved*. That there be no recession from the high standards thus established, and that it is the sense of this convention that The American Legion Monthly shall be built into an institution of public service, not alone for The American Legion, but for all America, which shall be one of the enduring monuments of this organization."

Complimentary Braille copies of the magazine have been distributed over the years to blinded veterans without regard to their membership affiliation. The Pro and Con pages, in which members of Congress are given the opportunity to present their non-edited views on vital issues facing the nation, continue at the top of our best-read material.

Origin of the Commission

The Legion Publications Commission, formerly the Legion Publishing and Publicity Commission, was created by authority of a resolution adopted by the National Executive Committee at its meeting in Indianapolis, Indiana, November 20th, 1946, and charged with the following duties:

(A) Publishing and distributing The American Legion Magazine.
(B) Publishing and distributing the National Legionnaire.

The National Legionnaire was merged into the format of The American Legion Magazine in 1949, and now appears in that section of the magazine known as News Of The Legion.

The name, "The Legion Publications Commission", was changed in 1970 to "The American Legion Magazine Commission", by action of the National Convention at Portland, Oregon. Its membership includes a Chairman and Vice Chairman and 19 others, whose origins cover many sections of the nation; a National Commander's Representative and one consultant, all appointed by the National Commander and approved by the National Executive Committee. In addition, the National Executive Committee is represented by a liaison group comprising a Chairman and four members, designated by the National Commander.

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VETERANS AFFAIRS AND REHABILITATION COMMISSION

W. F. LENKER, South Dakota, *Chairman*

R. E. LYNGH, Colorado, *Director*

Following the 1977 National Convention, a number of legislative measures were enacted by the Congress in the area of veterans benefits. On October 3, 1977, Public Law 95-116 was approved. This Act provided an automobile allowance and automotive adaptive equipment to veterans of World War I (this provision of law was introduced in the Congress at the request of The American Legion in 1974). Also approved on October 3, 1977, was Public Law 95-117. This Act increased the rates of disability compensation for disabled veterans, and dependency and indemnity compensation for survivors. Public Law 95-126, approved October 8, 1977, provided standards for Discharge Review and benefit eligibility for those persons whose discharges were upgraded by the Department of Defense under the Special Discharge Review Program. On November 23, 1977, Public Law 95-202 was approved. This Act increased the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and other persons. Finally, on December 2, 1977, Public Law 95-204 was signed by the President. Included in this Act was an increase in the monthly rates of disability and death pension, and dependency and indemnity compensation for parents.

For the period July 1, 1977, and ending June 30, 1978, the program activities of the National Veterans Affairs and Rehabilitation Commission, and its staff are as follows:

Beginning with the 1977 National Convention, the Commission received a total of 80 resolutions for appropriate action and consideration. There follows a breakdown of these resolutions by source and type:

From the 1977 National Convention	63
Approved resolutions	27
Referred resolutions	36
From the National Executive Committee	10
Approved at the meeting of October 5-6, 1977	2
Approved at the meeting of May 3-4, 1978	8
From the National Adjutant ("register resolutions")	7

The actions taken on all resolutions and register matters coming under the jurisdiction of the Commission are described in the report to follow.

1977 NATIONAL CONVENTION APPROVED RESOLUTIONS

Policy

Resolution No. 2 (Philippines)—sponsor and support legislation to provide that the Veterans Administration Regional Office in Manila shall continue to operate until June 30, 1983.

The Director, in his statement before the Committee on Veterans Affairs, United States Senate, on March 16, 1978, informed the Committee of The American Legion's views on this subject.

Resolution No. 30 (North Dakota)—The American Legion Policy on National Health Insurance.

This resolution superseded Resolution No. 139 of the 1976 National Convention. The resolution was presented to the President of the United States on February 3, 1978, by the National Commander.

Resolution No. 77 (South Carolina)—oppose certain recommendations in the National Academy of Sciences' study and report of June 3, 1977 for Health Care for Veterans.

The National Commander, when appearing before the House Committee on Veterans Affairs on September 27, 1977, and before the Senate Committee on Veterans Affairs on September 28, 1977, expressed the views of The American Legion on this subject. In addition, the Director, when appearing before the Senate Committee on Veterans Affairs on September 30, 1977, outlined for the Committee the position of The American Legion on each of the 37 major recommendations proposed in the National Academy of Sciences' Report. Finally, this resolution was presented to the President of the United States on February 3, 1978, by the National Commander.

Resolution No. 201 (Kansas)—support continuation of the Veterans Administration as the sole independent agency in the Executive Branch of the Federal Government responsible for the administration and execution of benefits and services programs provided by law for veterans, their dependents, and survivors.

This resolution superseded Resolution No. 111 of the 1976 National Convention. The resolution was presented to the President of the United States on February 3, 1978, by the National Commander.

Resolution No. 206 (Alabama)—that The American Legion oppose the announced plans by the Administrator of Veterans Affairs to reduce Veterans Administration acute operating bed care capacity by 5,000 beds.

The resolution was presented to the President of the United States on February 3, 1978, by the National Commander. In addition, the Director, in his statement before the Subcommittee on HUD—Independent Agencies of the Committee on Appropriations, House of Representatives, on April 12, 1978, and before the Subcommittee on HUD—Independent Agencies of the Committee on Appropriations, United States Senate, on April 27, 1978, expressed the views of The American Legion on this subject.

Resolution No. 338 (Virginia)—that The American Legion expressed its vigorous opposition to the inclusion of veterans compensation and pension programs in any study of or plan for welfare reform.

The resolution was presented to the President of the United States on February 3, 1978, by the National Commander.

Resolution No. 400 (Maryland)—sponsor and support legislation so as to provide that vacancies on the Board of Veterans Appeals shall be filled by the appointment of only those who have had service with the Armed Forces of the United States.

This resolution superseded Resolution No. 6 of the 1977 Spring National Executive Committee meeting. H.R. 8797 was introduced at the request of The American Legion on August 4, 1977. No hearings have been held, to date, by the House Committee on Veterans Affairs.

Resolution No. 519 (Convention Committee)—that the National Commander is authorized and directed to appoint a Select Committee on Special Problems of the Veterans Affairs and Rehabilitation Program.

The Committee, as called for in this resolution, has been appointed which satisfies the intent of the resolution.

National Cemeteries

Resolution No. 43 (Arizona)—The American Legion Policy on improving the National Cemetery System and death and burial benefits for veterans.

This resolution superseded Resolution No. 255 of the 1976 National Convention. The resolution was presented to the President of the United States on February 3, 1978, by the National Commander. Also, the Special Assistant to the Director, in his statement before the Subcommittee on Cemeteries and Burial Benefits, Committee on Veterans Affairs, House of Representatives, on March 14, 1978, informed the Subcommittee of The American Legion's views on this subject.

Medical and Hospital

Resolution No. 32 (North Dakota)—sponsor and support legislation to authorize outpatient dental care for certain eligible veterans.

On January 19, 1978, H.R. 10447 was introduced at the request of The American Legion. The Director, in his statement to the Subcommittee on Medical Facilities, Committee on Veterans Affairs, House of Representatives, on May 23, 1978, expressed the views of The American Legion on this subject.

Resolution No. 42 (Arizona)—sponsor and support legislation so as to establish eligibility for dental services for certain former prisoners of war.

On January 19, 1978, H.R. 10447 was introduced at the request of The American Legion. The Director, in his statement to the Subcommittee on Medical Facilities, Committee on Veterans Affairs, House of Representatives, on May 23, 1978, expressed the views of The American Legion on this subject.

Resolution No. 92 (Colorado)—sponsor and support legislation to amend 38 USC 612(e) to include veterans of World War I for the purpose of hospitalization and outpatient treatment.

A bill, H.R. 5507, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. Further, the Director, in his statement to the Subcommittee on Medical Facilities, Committee on Veterans Affairs, House of Representatives, on May 23, 1978, expressed the views of The American Legion on this subject.

Resolution No. 111 (Massachusetts)—that The American Legion shall continue to urge the President of the United States and the Congress to give high priority to the budgetary needs of the Veterans Administration.

The resolution was presented to the President of the United States on February 3, 1978, by the National Commander.

Resolution No. 152 (California)—that The American Legion request the Legislative and Executive Branches of the Federal Government to adhere to the expressed wishes of the donors of the West Los Angeles Veterans Administration land, and to the terms and considerations of the grant thereof, and that the Veterans Administration maintain a home for disabled veterans on said property to a capacity of not less than 2,500 beds.

In reply to a letter directed to the Veterans Administration, the following was received: "It is our opinion that the present and future planning of the VA health care facilities at West Los Angeles do not compromise the right of the VA to continue the use of this land for the health care of the veteran beneficiaries entitled to such care." In addition, the VA informed us that according to the new concept in the Domiciliary Program, a 2,500 bed capacity at West Los Angeles was not practical. The VA is desiguing new 200-bed domiciliary facilities for construction in the near future. The facility at the Wadsworth Hospital Center is included in these modernization plans.

Veterans Administration Hospitals

Resolution No. 153 (California)—that The American Legion urge the Veterans Administration to restore building No. 220 as a "Womens Cottage" at the West Los Angeles VA Center.

This resolution was forwarded to the Veterans Administration for attention and comment. The VA replied as follows: "The Wadsworth domiciliary is the first of five that are to be renovated and modernized. This will include providing necessary privacy in toilet and bedroom areas so that women veterans can be admitted. The VA is committed to providing beds for women veterans in all domiciliaries at the earliest possible time. However, the condition and age of existing domiciliary facilities makes it economically unfeasible to modernize more than five. In the new structures beds will be available for women veterans. The speed with which we can provide beds for women is dependent upon availability of construction funds. There is no plan to use building 220 for women veterans. Although this was the purpose for which it was used prior to the earthquake, the health care needs of the total VA Center at Los Angeles now require that this building be designated for other purposes."

Claims and Ratings

Resolution No. 28 (North Dakota)—sponsor and support legislation to increase the burial allowance for veterans to $400, plus the $150 plot allowance. A bill, H.R. 10213, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. Further, the Special Assistant to the Director, in his statement before the Subcommittee on Cemeteries and Benefits, Committee on Veterans Affairs, House of Representatives, on March 14, 1978, informed the Subcommittee of The American Legion's views on this subject.

Resolution No. 33 (North Dakota)—sponsor and support legislation to provide a statutory presumption of service-connected death of any veteran who dies from natural causes whose service-connected disability was rated permanent and total for 10 or more years. This resolution superseded Resolution No. 60 of the 1965 National Convention. A bill, H.R. 9994, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. Also, the Chief of Claims Service, in his statement before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on March 21, 1978, and before the Subcommittee on Compensation and Pension, Committee on Veterans Affairs, United States Senate, on June 22, 1978, informed the Subcommittees of The American Legion's views on this subject.

Resolution No. 114 (Massachusetts)—oppose adoption and application of any VA schedule for Rating Disabilities which is not based upon the average impairment of earning capacity resulting from such injuries in civil occupations.

This resolution superseded Resolution No. 134 of the 1976 National Convention. In the implementation of this resolution, letters have been forwarded to the Veterans Administration expressing the views of The American Legion.

Resolution No. 121 (Massachusetts)—sponsor and support legislation so as to remove the restriction against the receipt of Armed Forces retirement pay, due to length of service, concurrently with VA compensation.

This resolution superseded Resolution No. 138 of the 1976 National Convention. On January 26, 1977, H.R. 2476 was introduced at the request of The American Legion. The Director, when appearing before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on April 19, 1977, informed the Subcommittee of The American Legion's views on this subject.

Resolution No. 178 (Ohio)—sponsor and support legislation to improve the dependency and indemnity program for dependent parents.

On January 23, 1978, H.R. 10498 was introduced at the request of The American Legion. In addition, the Chief of Claims Service, when appearing before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on March 21, 1978, expressed the views of The American Legion on this subject.

Resolution No. 308 (Kentucky)—sponsor and support legislation to provide that any disability which has been continuously rated at or above any evaluation for ten or more years for compensation purposes shall not thereafter be rated at less than such evaluation, except upon a showing that such rating was based on fraud.

A bill, H.R. 1892, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. Also, the Chief of Claims Service, when appearing before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on March 21, 1978, expressed the views of The American Legion on this subject.

Resolution No. 339 (Virginia)—sponsor and support legislation to provide additional monthly compensation for those veterans rated less than 50 percent who have dependents.

A bill, H.R. 2103, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. The Chief of Claims Service, when appearing before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on March 21, 1978, informed the Subcommittee of The American Legion's views on this subject.

Resolution No. 349 (Virginia)—sponsor and support legislation to amend 38 USC 312(c)(2) pertaining to presumptions relating to certain diseases and disabilities of prisoners of war.

On January 23, 1978, H.R. 10497 was introduced at the request of The American Legion. In addition, the Chief of Claims Service, when appearing before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on March 21, 1978, informed the Subcommittee of The American Legion's views on this subject.

Resolution No. 360 (Iowa)—sponsor and support legislation to improve the death and disability pension program for veterans of World War I, World War II, and the Korean and Vietnam Wars, and for their surviving spouses and children.

This resolution superseded Resolution No. 39 of the 1976 National Convention. On January 23, 1978, H.R. 10495 was introduced at the request of The American Legion. The Director, in his statement before the Committee on Veterans Affairs, United States Senate, on February 3, 1978, and before the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on February 9, 1978, expressed the views of The American Legion on this subject.

Insurance

Resolution No. 307 (Kentucky)—sponsor and support legislation to provide that kidney and heart transplants shall qualify as statutory disabilities for insurance purposes.

This resolution superseded Resolution No. 379 of the 1974 Natonal Convention. On January 23, 1978, H.R. 10496 was introduced at the request of The American Legion. The Director, in his statement to the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on June 14, 1978, expressed the views of The American Legion on this subject.

Resolution No. 350 (Virginia)—sponsor and support legislation to provide that beneficiaries of United States Government Life Insurance and National Service Life Insurance policies, who are 65 years of age or older, shall have the right to select options 1 (lump sum) or 2 (maximum of 36 monthly installments). On January 23, 1978, H.R. 10499 was introduced at the request of The American Legion. The Director, in his statement to the Subcommittee on Compensation, Pension and Insurance, Committee on Veterans Affairs, House of Representatives, on June 14, 1978, expressed the views of The American Legion on this subject.

Armed Forces Review Boards

Resolution No. 16 (Florida)—that The American Legion exert every effort to cause the President of the United States or other authority to expand the Discharge Review Boards to accomplish a more rapid process in the consideration of discharges.

This resolution was presented to the President of the United States on February 3, 1978, by the National Commander. In addition, information received from the Department of Defense indicates the recall of a number of retired and reserve officers for a six-month temporary duty to serve as members of an increasing number of review panels. At present DOD is operating 10 Boards, operating six days a week in the Washington area, and some four additional panels in the field. Every effort possible is being made to effectively reduce the long delay in considering those cases classified under the regular discharge review program.

Referred Resolutions Policy

Resolution No. 12 (Tennessee)—support for Women's Air Force Service Pilots (WASPS) benefits.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 23 (New Mexico)—urges the Veterans Administration to conduct an in-depth study in those cases of veterans who were exposed to radiation by testing of atomic weapons.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended the resolution be approved. This is now 1978 Spring NEC Resolution No. 17.

Resolution No. 27 (North Dakota)—urges The American Legion to commend Congressman Robin Beard of Tennessee.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be returned to the originating Department (for transmittal to the Congressman as an expression of the Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 63 (Illinois)—urges The American Legion to commend E. H. Golembieski.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be returned to the originating Department (for transmittal to Mr. Golembieski as an expression of the Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 68 (Illinois)—urges the Department of Labor to provide sufficient funds to promulgate the Licensed Practical Nurse Program to reduce the nurse shortage at VA hospitals.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Resolution No. 91 (Colorado)—support for Women's Air Force Service Pilots (WASPS) benefits.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 116 (Massachusetts)—urges the appointment of a committee to investigate the advisability of constructing a series of buildings throughout our nation to care for critically ill veterans.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 162 (Nebraska)—that The American Legion vigorously oppose the proposal by the General Services Administration to dispose of any land at the Veterans Administration Hospital, Lincoln, Nebraska.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be received and recorded (this matter has been satisfactorily resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Resolution No. 200 (Kansas)—that no individual receiving pardon by virtue of an Executive Order of a President shall ever be eligible for membership in The American Legion, Department of Kansas; that such persons be precluded from benefits under laws administered by the VA; and be denied veterans preference in all facets of public employment, be it Federal, State, County, or City.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be returned to the originating Department (multiple subjects which require individual action). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 208 (Puerto Rico)—urges action to provide for the proper display of an American flag at the VAH, Puerto Rico.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this be disposed of administratively (the matter has been resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 252 (Arkansas)—urges that certain land located at the North Little Rock VA hospital be returned to the VA for use and benefit of veterans.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be received and recorded (this matter has been satisfactorily resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Resolution No. 347 (Virginia)—urges that accredited representatives be exempt from the provisions of the Privacy Act.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this be disposed of administratively (the matter has been resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 348 (Virginia)—urges that in the enactment of any Energy legislation that veterans suffering from certain disabilities be exempt from any tax on their automobiles, fuels, etc.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be retained in a study status. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 356 (Louisiana)—support for Women's Air Force Service Pilots (WASPS) benefits.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 484 (Pennsylvania)—urges The American Legion to institute a training program for all Department Service Officers and their staff in service work, and that the National Organization furnish the instructors and lodging for a course, for a time period necesary to train new personnel.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be rejected. (It is to be noted that the Commission did not oppose the primary intent of the resolution. The point to which the Commission objected was the funding by the National Organization of lodging for the trainees. It was felt all costs of transportation, food and lodging should be funded by the Department employing the trainee. Such a training program as called for in the resolution has been instituted, and several new Department Service Officers recently completed the orientation, which was of one week's duration. The program was felt to be a success). This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Resolution No. 499 (Nevada)—urges an increase in travel allowance for veterans enroute to and from VA hospitals.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this be disposed of administratively (the matter has been resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 593 (Hawaii)—urges The American Legion to support the establishment of a Veterans Home in the State of Hawaii.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this be disposed of administratively (the sponsoring Department has been informed of the proper means of development and implementation). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

National Cemeteries

Resolution No. 69 (Illinois)—urges the Veterans Administration to prepare plans for the enlargement, proper entrance, and parking at the National Cemetery located in Quincy, Illinois.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be disposed of administratively (information received from the VA has been referred to the sponsoring Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 286 (New York)—urges American Legion support and final action of the National Cemetery site at Calverton, New York.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be approved. This is now 1977 Fall NEC Resolution No. 18.

Resolution No. 287 (New York)—urges the Veterans Administration to acquire land at Galeville, New York, for a new National Cemetery.

This resolution was returned to the originating Department in accordance with Resolution No. 1 of the 1975 Spring NEC meeting. This action was concurred in by the NEC at its meeting of October 5–6, 1977.

Resolution No. 361 (Iowa)—urges the Veterans Administration to establish a new National Cemetery at Meade, Nebraska.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be disposed of administratively (information received from the VA has been referred to the sponsoring Department). This recommendation as approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 459 (Texas)—urges the Veterans Administration to establish a new National Cemetery in the Dallas-Fort Worth, Texas area.

This resolution was returned to the originating Department in accordance with Resolution No. 1 of the 1975 Spring NEC meeting. This action was concurred in the NEC at its meeting of October 5–6, 1977.

Medical and Hospital

Resolution No. 66 (Illinois)—urges the visitation by a representative of The American Legion at the North Chicago VA hospital.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be received and recorded (a visitation to this hospital was made, and the matter satisfactorily resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Resolution No. 209 (Puerto Rico)—urges improvement in hospital care of patients at the VA hospital in Puerto Rico.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be disposed of administratively (contact was made with the sponsoring Department, and the matter has been satisfactorily resolved). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Veterans Administration Hospitals

The following resolutions were recommended for referral to the Standing Commission for presentation to the Administrator of Veterans Affairs, with the request each resolution be considered in connection with the Veterans Administration's overall planning to insure that there will be sufficient hospital and nursing care beds, other medical care, and domiciliary facilities, meeting the present high standards of the VA hospital system, and suitably located throughout the country for veterans requiring hospitalization and medical treatment, for their service-connected disabilities, and for war veterans suffering nonservice-connected disabilities and who are unable to pay for needed hospitalization or domiciliary care.

The resolutions referred to the Standing Commission were presented to the Administrator, and his reply in each instance was furnished the Department sponsoring the resolution. The resolutions and the Adiminstrator's reply are as follows:

Resolution No. 67 (Illinois)—urges the Congress and the VA to authorize plans and funds to expand the nursing home bed program.

The VA reply: "We recognize the need for more nursing home care beds in our medical system and we are expanding the nursing home care program accordingly. We currently have 7,889 existing nursing home care beds and have construction funds appropriated for an additional 1,487 beds, thus the VA has attained approximately 65 percent of its estimated 1982 systemwide VA nursing home care bed needs. We will continue to program appropriate VA nursing home care program construction consistent with other priorities within the overall system. We will continue to supplement the VA nursing home care program in community nursing homes and will participate with States in the State Nursing Home Care Program as provided by law."

Resolution No. 115 (Massachusetts)—urges the construction of a Chapel at the VA hospital in West Roxbury, Massachusetts.

The VA reply: "The hospital's approved five-year facility plan includes a construction project for a chapel. Appropriate construction will be programmed to the extent resources are available and within the priorities determined for the VA medical care system."

Resolution No. 164 (Nebraska)—urges action to air condition the VA hospital, Grand Island, Nebraska.

The VA reply: "We recognize the need for air conditioning at the Grand Island hospital and a major project to meet this need will be programmed to the extent resources are available and within the priorities determined for the VA medical care system. At this time, we have not established a schedule for this project."

Resolution No. 248 (Indiana)—urges the Veterans' Administration to locate an outpatient clinic in Lake County, Indiana.

The VA reply: "There are over 3,100 counties in the United States and fewer than 200 of these counties have either a VA hospital or outpatient clinic located within their boundaries. There are many areas where access to a VA health care facility is marginal: the closest VA health care facility being a distance of 150 miles or more. Additionally, there are a number of counties with large veteran populations which are more than 40 miles away from the nearest health care facility. We have not requested any funds in our Fiscal Year 1978 Budget for the activation of any additional clinics, nor do our plans consider a request for funds in FY 1979 for further expansion of this program. Thus, we have no plans at this time to establish an outpatient clinic in Lake County, Indiana."

Resolution No. 291 (New York)—urges the VA to retain certain buildings at the Bronx VA hospital for use as a domiciliary nursing care center.

The VA reply: "We recognize the need for more nursing home care beds in the New York metropolitan area as well as many other areas of the country, and we are programming construction for the purpose as rapidly as possible consistent with systemwide priorities. In our future planning, every consideration will be given to the establishment of a new nursing home care facility at the Bronx VA hospital. The decision to replace our Bronx VA hospital was made after careful study and planning revealed that modernization of the present facilities for patient care activities would be impractical. It has been our experience that it is more practical and economical to build a structure tailored specifically to the functional needs of the nursing home care program rather than adapt obsolete structures."

Resolution No. 383 (Minnesota)—urges the construction of a new VA hospital in Minneapolis, Minnesota, to replace the existing facility.

The VA reply: "We recognize the future need for modernization or replacement of many of our older hospitals including the Minneapolis VA hospital. We have not, however, developed any schedule for such a major construction program for the Minneapolis facility or initiated any master planning in this regard. Pending major modernization or replacement of our older hospitals, it is our aim to keep all of our facilities in good operating condition through a maintenance program and selected smaller construction projects. Presently, our plans at the Minneapolis VA hospital include the following programmed construction projects: replace fire alarm system; dead-end corridor stairs; nuclear medicine and cardiology addition; emergency generator and correction of electrical deficiencies; diagnostic radiology expansion; replacement of the boiler plant; and the expansion of ambulatory care facilities."

Claims and Ratings

Resolution No. 150 (California)—urges action as would require the continued payment of $150 monthly to widows of holders of the Medal of Honor.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 342 (Virginia)—urges the VA to discontinue the practice of transferring files containing active awards to Record Storage Centers.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be disposed of administratively (the matter has been resolved satisfactorily with the sponsoring Department). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 362 (Iowa)—seeks legislation to provide for the payment of an aid and attendance allowance to neuropsychiatric patients placed in Community Placement Programs.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be retained in a study status. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Resolution No. 425 (Washington)—seeks legislation as would provide a statutory rating for loss or loss of use of a kidney.

At its meeting of Ocotber 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Vocational Rehabilitation and Education

Resolution No. 271 (Montana)—urges support of S. 1421, a bill pertaining to various adjustments in the veterans educational assistance program.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Insurance

Resolution No. 250 (Georgia)—seeks legislation as would increase Total Disability Income Provisions from $10 to $20 for each $1,000 on contracts of National Service Life Insurance.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

NEC Meeting of October 5–6, 1977

Resolution No. 11—opposes legislation to provide that VA medical and hospital services be included in any program that would establish a system of hospital cost containment.

The Director informed the Legislative Division of our position regarding this matter, and requested necessary action be taken to advise the appropriate Congressional Committees of our views.

Resolution No. 18—support the planned development of the National Cemetery, Calverton, New York.

The Department sponsoring this resolution has been fully informed on all developments relating to this new National Cemetery. It is to be noted that following numerous problems and difficulties, a construction program is currently underway, and that all veterans and their survivors in the greater New York area will be served by the opening of this new National Cemetery. The full intent of this resolution has been satisfactorily accomplished.

Register No. 1822 (California)—restore certain buildings at West Los Angeles Center for use as domiciliary and convalescent units.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be received and recorded (now covered in Resolution No. 153 of the 1977 National Convention). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Register No. 1839 (Delaware)—oppose any reduction of acute care hospital beds in VA hospitals.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be received and recorded (now covered in Resolution No. 206 of the 1977 National Convention). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Register No. 1842 (Ohio)—seeks extension of the delimiting date for Vietnam Era veterans for educational assistance benefits.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

Register No. 1843 (Ohio)—seeks legislation to provide a separate insurance program for Vietnam Era veterans.

At its meeting of October 3–4, 1977, a Subcommittee of the Commission recommended this resolution be received and recorded (now covered in Resolution No. 52 of the 1976 National Convention). This recommendation was approved by the NEC at its meeting of October 5–6, 1977.

NEC Meeting of May 3–4, 1978

Resolution No. 4—citations to Dr. Rosalyn S. Yalow and Dr. Andrew V. Schally.

The necessary administrative action is being taken to implement the objective of this resolution.

Resolution No. 5—citation to Dr. John D. Chase, Chief Medical Director of the Veterans Administration.

The necessary administrative action is being taken to implement the objective of this resolution.

Resolution No. 12—that The American Legion adopt Operation Post Home as a program of The American Legion.

The necessary administrative action is being taken to implement the objective of this resolution.

Resolution No. 13—construction of a Veterans Administration hospital at Camden, New Jersey.

The substance of this resolution was included in the presentation of testimony by the Director before the Subcommittee on HUD—Independent Agencies of the Committee on Appropriations, House of Representatives, on April 12, 1978, and before the Subcommittee on HUD—Independent Agencies of the Committee on Appropriations, United States Senate, on April 27, 1978. In addition, we have asked the Legislative Division to take whatever action is deemed appropriate to make our views known on this subject.

Resolution No. 14—urges all Posts of The American Legion to appoint or elect a Post Service Officer and maintain an active service program.

The objective of this resolution has been put in effect with the issuance of a memorandum by the National Adjutant to all Department Adjutants.

Resoluion No. 15—support legislation so as to increase the rate of special pension payable to Congressional Medal of Honor holders from $100 to $200 monthly.

A bill, H.R. 10547, although not introduced at our request, would, if enacted, satisfy the intent of this resolution. The bill was favorably reported by the House Committee on Veterans Affairs on May 31, 1978. Action by the House is anticipated within the very near future. As of the preparation of this report a similar measure was being considered by the Senate Committee on Veterans Affairs.

Resolution No. 16—sponsor and support legislation to amend section 3203, title 38, United States Code, so as to increase the amount of pension payable to a hospitalized veteran under this section from $50 to $65 per month.

A draft bill has been prepared and transmitted to the Legislative Division for introduction in the current Congress.

Resolution No. 17—support the study being conducted by the Center for Disease Control into the effects of exposure to radiation on personnel involved in the 1957 atomic test "Smoky" and the proposed broad study of the participants of all atomic weapons' tests.

The objective of this resolution has been put in effect with the issuance of a memorandum by the National Adjutant to all Department Adjutants.

Register No. 1846 (Mexico)—urges the VA to conduct a study in Mexico to determine the necessity of assigning full or part-time personnel in Mexico.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be rejected. This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Register No. 1866 (Maryland)—urge the Veterans Administration to continue the use of canteen books (25¢) for hospitalized veterans.

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this resolution be received and recorded (the matter has been satisfactorily resolved with the sponsoring Department). This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

Register No. 1867 (Texas)—urges the renaming of the Temple VA Center as the "Olin E. Teague Veterans Hospital, Temple, Texas."

At its meeting of May 1–2, 1978, a Subcommittee of the Commission recommended this be retained in a study status. This recommendation was approved by the NEC at its meeting of May 3–4, 1978.

VETERANS AFFAIRS AND REHABILITATION COMMISSION MEETINGS AND AREA CONFERENCES

Members of the Veterans Affairs and Rehabilitation Commission held four meetings during the 1977–78 year as follows:

(1) The Commission met at the Denver Hilton Hotel, Denver, Colorado on August 19–20, 1977, preceding the 59th Annual National Convention. A report of those meetings was made to the National Executive Committee at its preconvention meeting, August 21, 1977. The report appears in the proceedings of that meeting.

(2) A 12 member subcommittee of the executive section met at National Headquarters in Indianapolis, Indiana on October 3–4, 1977. A report of the meeting was presented to the National Executive Committee on October 6, 1977. This report appears in the proceedings of the National Executive Committee for October 5–6, 1977.

(3) The full Veterans Affairs and Rehabilitation Commission met in Washington, D.C. on February 23, 1978, in connection with the 18th Annual Washington Conference and the 55th Annual National Veterans Affairs and Rehabilitation Conference. A detailed resume of the actions taken at the meeting is contained in the Commission's Advance Report to the National Executive Committee of May 3–4, 1978, and appears in the proceedings of that meeting.

(4) A 19 member subcommittee of the executive section met at National Headquarters, Indianapolis, Indiana on May 1–2, 1978. A report of the meeting was presented to the National Executive Committee on May 4, 1978. This report appears in the proceedings of the National Executive Committee on May 3–4, 1978.

During the past year two area conferences were held. Area C held its conference in New Orleans, Louisiana on October 18–21, 1977. Area D held its conference in Midland, Michigan on October 25–27, 1977. Recommendations received from these conferences were considered by the Commission at its meeting of February 23, 1978.

VETERANS AFFAIRS AND REHABILITATION LEGISLATIVE ACTIVITIES

The staff of the Veterans Affairs and Rehabilitation Commission has devoted considerable time and effort during the past year to matters relating to veterans affairs and rehabilitation legislative resolutions. This includes the drafting of bills that would give effect to these resolutions, the preparation of explanatory and supporting material, preparing testimony for presentation when hearings are scheduled, and continuing constant liaison with the staff of the Legislative Commission and the staffs of the Congressional Committees and interested Members of Congress. All of these activities are carried on in close cooperation with the Legislative Commission and its staff.

There follows a brief account of the Congressional hearings held since June 30, 1977, during the first and second sessions of the 95th Congress, on matters pertaining to the Legion's program in which the Commission and its staff were involved.

(1) On July 19, 1977, National Commander William J. Rogers, accompanied by staff members of the Veterans Affairs and Rehabilitation and Legislative Commissions, appeared before the Subcommittee on Medical Facilities and Benefits, House Committee on Veterans Affairs, and presented the organization's overall views on the National Academy of Sciences' Report on Health Care for American Veterans.

(2) On July 27, 1977, the Director submitted a Statement to the Subcommittee on Medical Facilities and Benefits, House Committee on Veterans Affairs, relative to legislation to improve the recruitment of VA health care personnel, and on payment of variable incentives to enhance the agency's ability to recruit scarce category health care personnel.

(3) On September 20, 1977, the Chief of Claims, appeared before the Select Committee, House Committee on Veterans Affairs, on the subject of a bill to provide veterans benefits to members of the Women's Air Force Service Pilots (WASPS).

(4) On September 20, 1977, the Consultant, Veterans Affairs and Rehabilitation Commission, appeared before the Subcommittee on Education and Training, House Committee on Veterans Affairs, to discuss improvements in the veterans education assistance program.

(5) On September 21, 1977, the Consultant, Veterans Affairs and Rehabilitation Commission appeared before the Senate Committee of Veterans Affairs, on the subject of judicial review of decisions rendered by the Administrator of Veterans Affairs.

(6) On September 27, 1977, National Commander Robert Charles Smith, accompanied by the Veterans Affairs and Rehabilitation, Legislative, and Economic Commission Chairmen, the President of the American Legion Auxiliary, and by a number of other officers and members of The American Legion, appeared before the House Committee on Veterans Affairs and presented the organization's overall rehabilitation-legislative-economic program.

(7) On September 28, 1977, National Commander Robert Charles Smith, similarly accompanied, appeared before the Senate Committee on Veterans Affairs, to present the Legion's program.

(8) On September 30, 1977, the Director appeared before the Senate Committee on Veterans Affairs, on the subject of the National Academy of Sciences' Report and the reaction of The American Legion to the 37 major recommendations contained in that report.

(9) On February 3, 1978, the Director appeared before the Senate Committee on Veterans Affairs, to discuss a bill which would revise and restructure the veterans pension program.

(10) On February 8, 1978, the Director submitted a Statement to the Task Force on Community and Physical Resources, and Task Force on Human Resources, Committee on the Budget, relative to the funding for veterans programs during Fiscal Year 1979.

(11) On February 9, 1978, the Director appeared before the Subcommittee on Compensation, Pension and Insurance, House Committee on Veterans Affairs, to discuss five bills pending before the Subcommittee, the most significant being to restructure the death and disability pension benefits program.

(12) On March 14, 1978, the Special Assistant to the Director appeared before the Subcommittee on Cemeteries and Burial Benefits, House Committee on Veterans Affairs, on the subject of Congressional oversight of the National Cemetery System and the Veterans Administration's program of burial benefits.

(13) On March 16, 1978, the Director appeared before the Senate Committee on Veterans Affairs to discuss the provision of hospital and medical services to the Republic of the Philippines and, the Veterans Readjustment Appointments (VRA) program.

(14) On March 21, 1978, the Chief of Claims appeared before the Subcommittee on Compensation, Pension and Insurance, House Committee on Veterans Affairs, to discuss eight bills pending before the Subcommittee relative to the compensation and dependency and indemnity compensation programs.

(15) On April 12, 1978, the Director appeared before the Subcommittee on HUD-Independent Agencies, House Committee on Appropriations, relative to the proposed VA budget for Fiscal Year 1979.

(16) On April 25, 1978, the Chief of Claims appeared before the Subcommittee on Education and Training, House Committee on Veterans Affairs, to discuss

five bills pending before the Subcommittee, relating to the vocational rehabilitation and education and training programs.

(17) On April 27, 1978, the Director appeared before the Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, relative to the proposed VA budget for Fiscal Year 1979.

(18) On May 23, 1978, the Director appeared before the Subcommittee on Medical Facilities, House Committee on Veterans Affairs, to discuss eight bills relating to medical services to veterans and their survivors.

(19) On June 14, 1978, the Director submitted a Statement to the Subcommittee on Compensation, Pension and Insurance, House Committee on Veterans Affairs, on veterans insurance programs.

(20) On June 30, 1978, the Chief of Claims appeared before the Subcommittee on Compensation and Pension, Senate Committee on Veterans Affairs, to discuss a number of measures pending before the Subcommittee relative to the compensation and dependency and indemnity compensation programs.

SELECT COMMITTEE ON SPECIAL PROBLEMS OF THE VETERANS AFFAIRS AND REHABILITATION COMMISSION

Resolution No. 519, adopted by the 59th Annual National Convention of The American Legion in Denver, Colorado, in August 1977, discharged the Veterans Medical Care Advisory Committee established by the authority of Resolution No. 461 of the 54th Annual National Convention. In addition, Resolution No. 519 authorized and directed the National Commander to appoint a Select Committee on Special Problems of the Veterans Affairs and Rehabilitation Program consisting of not more than seven members and such consultants as he determines to be necessary. The Select Committee was charged by Resolution No. 519 to:

(1) Consider and recommend to the National Commander, the National Executive Committee, and concerned National Commissions, appropriate responses, protective of the veterans benefits programs, to all actions, from whatever sources, are inimical to the maintenance and further development of veterans benefits programs, to which The American Legion is totally committeed; and

(2) Include in its area of consideration and action, all matters having to do with national health insurance.

In conformity with Resolution No. 519, National Commander Robert Charles Smith on October 13, 1977, appointed the following to the Committee:

William F. Lenker (South Dakota), Chairman
Al Keller, Jr. (Illinois), Vice Chairman
Albert D. Brown, Jr. (Texas) Vice Chairman
Harry E. Davison (Colorado)
Mrs. Dorothy "Bettie" Andrews (Iowa)
Thaddeus J. Gnidziejko (New Jersey)
Chester F. Stellar (Ohio)

Consultants:

Dyke E. Shannon (Florida)
Frank I. Hamilton (Indiana)
Kenneth J. S. DeSimone, M.D. (Kentucky)
E. Roy Stone, Jr. (South Carolina)

Following is a report of the February 19, 1978 meeting of the Select Committee:

The Select Committee met in the Washington, D.C. office of The American Legion. Present were W. F. Lenker (South Dakota), Chairman, Al Keller, Jr. (Illinois), Gary W. Sammons (Michigan), for Albert D. Brown (Texas), Harry E. Davison (Colorado), Dorothy "Bettie" Andrews (Iowa), Thaddeus J. Gnidziejko (New Jersey), Chester F. Stellar (Ohio), members; Dyke E. Shannon (Florida), Frank I. Hamilton (Indiana), and E. Roy Stone, Jr. (South Carolina), consultants. Absent was Dr. Kenneth J. S. DeSimone (Kentucky), consultant.

Present for staff were Robert E. Lyngh, Director, Veterans Affairs and Rehabilitation Commission, Mylio Kraja, Director, Legislative Commission, Austin E. Kerby, Director for the Economics Commission, E. H. Golembieski, Consultant to the Select Committee and Sharon Mather, Administrative Assistant to the Director. Other VA&R staff present were Sam Borzilleri, Legal consultant, John F. Sommer, Jr., Chief of Claims and Philip R. Wilkerson, Special Assistant to the Director.

National Commander Robert Charles Smith attended part of the meeting. Also present was Past National Commander Donald E. Johnson (Iowa).

Veterans Administration Chief Medical Director Dr. John D. Chase spoke briefly on the purpose of four legislative measures proposed to the Congress by the Administrator and gave his opinion on what actions would be taken by the Committees of jurisdiction. In addition, he gave the Committee a comprehensive overview of the options available to the President in the area of national health insurance. It has developed, said Dr. Chase, that the President will honor his campaign commitment and that he will make a public statement on his health insurance proposal on or about April 1978.

Warren H. MacDonald, former confidential assistant to former VA Administrator Donald E. Johnson briefed the Select Committee on his visit to Great Britain some eight years ago to study the history of that country's national health insurance and the subsequent National Health Service. His exposition developed five points that should guide the Legion's approach to any legislation that would endanger the integrity of the Veterans Administration medical care system.

Director Lyngh briefed the Select Committee on the National Commander's letter concerning the VA Administrator's plan to deactivate 3,132 operating beds by the end of Fiscal Year 1979. He also informed the Committee on staff activities associated with the VA's plan to not construct a new hospital at Camden, NJ, and on the budget short-falls in VA's FY 1979 appropriation requests.

Economics Chairman Al Keller and Director Kerby gave the Committee a thorough report on developments in the administration's plans to change the veterans preference law and regulatory procedures and on the proposed reorganization of the Civil Service Commission.

Director Kraja spoke to the Select Committee on the organization's activities in the areas of veterans preference and the Camden VA hospital situation.

The Committee received a staff briefing on the status of pension reform legislation, concerns of the Legion with the several short-falls in the VA fiscal year 1979 budget as to construction, medical research and exchange of medical information.

And finally, the Committee was given a summary report on the recommendations of the White House Conference on Handicapped Individuals, May 23–27, 1977 as such recommendations related to disabled veterans.

ANNUAL NATIONAL VETERANS AFFAIRS AND REHABILITATION CONFERENCE

The 55th Annual National Veterans Affairs and Rehabilitation Conference was held on February 20 and 22, 1978, at the Capital Hilton Hotel, Washington, D.C., with more than 500 persons in attendance, representing every State in the Nation. Participants included members of the Veterans Affairs and Rehabilitation Commission, Department Service Officers and Rehabilitation Directors, County and Post Service Officers, members of the American Legion Auxiliary, and numerous National, Department and Post officials.

The Commission's Chairman, W. F. Lenker (South Dakota), presided at all sessions of the conference. Participating in the panel discussions were officials of the Veterans Administration and the Department of Defense. The conferees heard addresses by National Commander Robert Charles Smith; Senator Jennings Randolph of the Senate Committee on Veterans Affairs; Congressman David E. Satterfield III of the House Committee on Veterans Affairs; and, Max Cleland, Administrator of Veterans Affairs.

REPORT OF THE 1978 VETERANS AFFAIRS AND REHABILITATION CONFERENCE COMMITTEE ON RECOMMENDATIONS

Constituted as a subcommittee of the Commission, the 1978 Veteran Affairs and Rehabilitation Conference Committee on Recommendations consisted of Victor T. Abbondolo (New York), Chairman; John V. Miraglia (Massachusetts); Charles D. MacLaughlin (North Dakota); David W. Armstrong (Montana); and, Dave Flowers (Mississippi).

Chairman Abbondolo delivered the report which contained 18 recommendations that were considered. Of the recommendations, five were approved, four referred to the National staff, eight were received and recorded, and one was rejected. The recommendations and the action taken thereon were reported in Veterans Affairs and Rehabilitation Bulletin No. 8-78 (19-2), dated March 2, 1978.

Action on the five approved resolutions has been satisfactorily accomplished. The four recommendations referred to the National staff continue to be under active study, looking to their implementation.

NATIONAL CEMETERY COMMITTEE

On February 22, 1978 there was a meeting of five members of the National Cemetery Committee at the Capital Hilton, Washington, D.C., in conjunction with the Annual National Veterans Affairs and Rehabilitation Conference. Present were Neckley M. Ferris (Louisiana), Acting Chairman; Mitchell J. Czoch (Pennsylvania); Donald H. Jeffery (Pennsylvania); Lyell F. Roush (Ohio); and Lawrence E. Fisher (Arizona).

The Committee attended a briefing by the Director of the National Cemetery System, Carl T. Noll, and his staff at the National Cemetery System offices at the Washington VA Regional Office. They were updated on the status of the five new National Cemeteries as well as improvements in existing National Cemeteries. They were briefed on future plans to establish additional new National Cemeteries as well as expand some of the existing ones. The Staff also reviewed the status of pending legislation which would affect burials in state cemeteries. The members were given a demonstration of an electronic carillon which the VA is evaluating for possible use in some National Cemeteries.

INFORMATIONAL SERVICES

The Veterans Affairs and Rehabilitation Commission and its staff conduct an informal service primarily for key Legion officials, which is geared to keep those interested in our program advised of pertinent developments in the field of veterans affairs. Much time and effort is devoted to the preparation and distribution of publications, which in many instances entails extensive research activity. A number of methods are employed to disseminate this information.

Veterans Affairs and Rehabilitation bulletins and memorandums are periodically distributed to department rehabilitation chairmen, department service officers and others. These publications cover all matters under the Commission's jurisdiction, with particular emphasis on new developments relating to the Commission's mandates, the administration of veterans benefits, including legislative changes, and the operation of the Veterans Administration.

During the calendar year 1977, a total of 29 bulletins were issued. For the same period, a total of 53 memorandum letters were prepared and distributed. As of the date of this report, 18 bulletins and 36 memorandum letters have been issued thus far in 1978. Throughout the year, as the occasion requires, special publications are prepared on particular subjects of prime importance.

Numerous letters are received each year from department representatives, individual veterans, Members of Congress, and others who desire specific information relative to our program, Legion policy, or about particular benefits.

A continuing responsibility of staff is the annual revision of The American Legion Post Service Officers Manual. This publication is revised following the adjournment of the Congress each year, and is mailed to all department headquarters shortly after the first of each year. Sufficient quantity is furnished in order to provide one copy for each Post within the department. Additional copies are printed to satisfy individual requests and to supply various conferences as needed. Through this publication, those engaged in service work are provided the information to properly inform veterans and their dependents when called upon for counsel. The staff is also responsible for the preparation of the program for the Annual National Veterans Affairs and Rehabilitation Conference, and for the Report of the Proceedings of the Conference which is printed and distributed following the conference.

To provide current and accurate information, the staff maintains extensive files on every phase of veterans affairs. Information is systematically collected through personal contacts with government agencies, by scanning daily newspapers and the Congressional Record, and numerous other periodicals. A close liaison is maintained with all other operating divisions, and material is prepared to be used in the Advance, The American Legion News Service, the National Adjutant's News Letter, and various other publications. As space is available, timely articles are prepared for inclusion in The American Legion Magazine, and the Auxiliary's publications.

It is through such sources that the National Veterans Affairs and Rehabilitation Commission and its staff endeavor to provide informational material not only to the other divisions of the national organization, but also to the various departments, individuals, and others interested in our program.

Detailed information concerning the actions and activities of the National Veterans Affairs and Rehabilitation Commission and staff is contained in the Commission's regular reports to the National Executive Committee, and in the National Adjutant's annual report to the National Convention (and to the Congress of the United States).

MEDICAL AND HOSPITAL SERVICES

As of September 30, 1977, the Veterans Administration health care system was the nation's largest and included 172 hospitals, 219 outpatient clinics, 89 nursing home care units, and 16 domiciliaries. Additionally, veterans were given care under Veterans Administration auspices in non-Veterans Administration hospitals and in community nursing homes. Fee-for-service basis visits to non-VA physicians and dentists for outpatient treatment was supported by the VA as well as care in 8 hospitals, 33 nursing homes, and 35 domiciliaries operated by 30 States and the District of Columbia.

A record 2,375,000 veterans applied for VA health care. Almost 1,323,000 veterans, also a record, were treated by the VA in hospitals or extended care facilities, with VA hospitals treating 1,210,000. The visits for outpatient medical care, again a record, amounted to more than 17 million, including 14,675,000 to VA staff and 2,381,000 to private physicians. On any single day, on the average, more than 181,000 individuals received care from the VA.

By the end of the year, more than 205,000 individuals comprising more than 115,000 family groups had established entitlement for medical care at VA expense under the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA). The VA has expended some $75 million on CHAMPVA benefits since the program began in September 1973.

At the end of the fiscal year, the VA hospitals were operating 91,754 beds—44,495 in medical bed sections, 19,438 in surgical bed sections, and 27,821 in psychiatric bed sections. During the year, the average bed occupancy rate was 81.1 percent. There were more than 1,133,000 patients admitted to VA hospitals and more than 31,000 to non-VA hospitals under VA authorization. Admission of Vietnam era veterans to VA hospitals amounted to almost 156,000, an increase of 2,000 compared with the previous year.

The increase in the number of patients treated was accomplished largely by reducing the length of time patients spent in the hospital during an episode of care, thus making beds available for more admissions. The most important factors contributing to this increased pace of care were greater use of ambulatory care and more extensive placement of patients in nursing homes and other extended care facilities.

The VA provided almost 28 million days of care during the last fiscal year. This represented an average daily census of 76,629 patients, 75,285 of whom were in VA hospitals. This is a drop of nearly 3,000 patients in the average daily census from the previous year.

An apparent explanation for the drop probably centers around the increased use of ambulatory care facilities. There were 14,600,000 medical visits to VA staff and 2,400,000 visits to private physicians authorized on a fee-for-service basis. New satellite clinics were activated at Beaumont, Texas; Sacramento, California; Riviera Beach, Florida; and Mayaguez, Puerto Rico, with numerous ambulatory care clinic renovations and expansions being accomplished. The expanding number of health care practitioners, that is, physician assistants and nurse practitioners, involved in ambulatory care have contributed to effective and expanded service.

More than 210,000 veterans received dental benefits as outpatients, in addition to 225,000 veterans treated as inpatients, in VA health care facilities. Of this number, some 110,000 were authorized treatment by private practitioners on a fee-for-service basis under the hometown care program.

During the last fiscal year, the VA was operating 7,739 nursing home care beds at 89 hospitals. During the year, there were 11,317 veterans treated in this program with an average daily census of 7,166. The average age of patients was 69.4 years and their attained length of stay was 999.3 days. About half of the patients are WW II veterans and 35.5 percent are WW I veterans. In addition, community nursing home care beds were extensively used by the VA. A total of 25,358 veterans were treated in over 2,752 community nursing homes in 50 States and Puerto Rico during the past year with an average daily census of 7,507.

The VA has long been aware of the problems which will arise as a result of aging of large numbers of WW II and Korean War veterans. A number of plans and programs have been developed in response to this perceived need. During the last fiscal year, the VA Geriatric Research, Education and Clinical Center program continued to promote innovative and comprehensive care of elderly veterans patients. These Centers, including research and education, associated their cohesive programs concerned with problems of medical care for the aging. These Centers now exist at Little Rock, Arkansas; St. Louis, Missouri; Sepulveda, California; Los Angeles (Wadsworth), California; Palo Alto, California; Minneapolis, Minnesota; Bedford/Boston, Massachusetts; American Lake/Seattle, Washington.

Domiciliary Care

The Veterans Administration Domiciliary Program is designed to provide necessary medical treatment and comprehensive medical care for ambulatory veterans in a residential type setting. The program is directed toward those veterans who are disabled by age, disease or injury and are in need of care but do not require hospitalization or the skilled services of a nursing home. To be entitled to domiciliary care, the veteran's disability must be chronic in nature. The veteran must also be incapacitated from earning a living and have no adequate means of support.

During the last fiscal year, further progress was made towards the construction of 200-bed domiciliary units to replace beds in facilities which do not meet the life safety code requirements and which are not suitable for upgrading because of structural problems and prohibitive cost. The 200-bed units introduced a new concept in structure which allowed ready conversion from domiciliary to nursing home care. The design of these new facilities emphasizes a home-like residential environment with desirable privacy and features which will contribute towards increased interaction and socialization between patient-members.

This marks the first new construction effort for domiciliaries since 1951. The VA launched a program at the same time to modernize facilities which can be economically upgraded to meet the requirements of modern domiciliary living.

At the end of September 1977, the VA domiciliaries were operating 9,897 beds with an average daily census of 8,933, and 18,005 patient-members were being treated. The majority of patient-members are WW II veterans. Most receive compensation or pension from the VA.

Additionally, the VA also lends support to State-owned domiciliaries and under a new law, the VA participates with up to 65 percent of the cost of construction and remodeling of State-owned facilities. Construction money for new domiciliaries was provided for the first time under the new law.

There are now 40 State homes and 2 annexes in 30 States and District of Columbia. Currently, 16,035 beds are available in these State homes. During the year, 33 State homes treated 8,632 veterans with nursing home care. 35 treated 10,450 veterans with domiciliary care, and 8 treated 6,732 veterans with hospital care. The combined average daily census during the year was 10,929.

Maintaining the VA Medical System for Veterans

The wide variety of facilities in the medical care system of the VA lends flexibility in order to take care of the widest range of patient problems. This single medical system is probably the largest system in the world and the maintenance of its integrity as a system to take care of veterans is an objective that may be threatened in the near future, particularly with the up-coming passage of legislation toward a goal of National Health Insurance. The American Legion stands firm in its demand that the VA be allowed to maintain this patient care system for veterans as a separate and integral unit.

Already, a recent report to Congress from the National Academy of Sciences has recommended gradual integration of the VA into a National Health Insurance program. The battle for the maintenance of the VA Medical Service for veterans alone has now started. Since the last annual report, a new Administration has pledged that National Health Insurance will be a reality before the end of the Administration's first term. At the present time, while there are a good many Bills of various types with reference to National Health Insurance in different Congressional Committees, the fate of any specific Bill is uncertain. However, there is no question that some form of National Health Insurance, in the future, is to be a reality.

A recent report, funded by the Congress and conducted by the National Academy of Sciences investigating the Veterans Administration Health System, recommended that it be integrated into any National Health Insurance program with nonveterans, as well as veterans being cared for in this system.

The report of the National Academy of Sciences has been criticized severely not only by The American Legion, but also by eminent medical economists. It would appear at the present time that the Congress is not taking very seriously the recommendations of this report. However, the challenge to maintain the VA Medical System as a unit for veterans only will be a major problem with the leadership of The American Legion for some years to come. The present administration certainly wishes to have some sort of National Health Insurance but what modifications will be made and the ultimate outcome is completely unknown at the present time.

The present Chief Medical Director has announced his intention to resign and what happens subsequently will have to be watched very carefully. The leadership of the medical system of the VA has continued to introduce new programs and innovative approaches to the health care of veterans. Increasing emphasis on ambulatory care is demonstrated by the number of new outpatient facilities that have been opened.

The professional affiliation of the VA hospitals with Medical Schools is one of the outstanding programs, reaching its peak since the end of WW II and supported vigorously by The American Legion. The Medical School affiliation has made practical the realization of great potentials in research and clinical trials of advanced therapy. These demonstrations of the great potential of the Veterans Administration Medical System should be a strong argument in favor of maintaining the VA Medical System as it is presently organized.

Construction Program

During fiscal year 1977, total construction obligations amounted to 213.7 million dollars. Of this total, 147.8 million is for 32 major contracts awarded by Central Office. This includes replacement hospitals at Augusta, Georgia, and Columbia, South Carolina, the outpatient clinic at Buffalo, New York; modernization of hospital at Chillicothe, Ohio; air conditioning at Perry Point, Maryland; the domiciliary at Wood, Wisconsin; and the new wing at Madison, Wisconsin.

At the end of fiscal year 1977, 342 projects were under construction at a total estimated cost of 627 million dollars. 156 projects were completed at a construction cost of 201 million dollars. These projects included completion of a 500-bed hospital at Loma Linda, California; and an 820-bed hospital at Los Angeles, California.

Veterans Administration Hospital—Health Center Affiliations

During the current year, all the hospitals in the VA system were accredited by the appropriate accrediting agencies. The VA Hospital-Medical School affiliation was fostered and supported after WW II by The American Legion. The growth of this program has been steady and during the past year, 135 VA hospitals and 38 outpatient clinics participated in such affiliations with 103 Medical Schools. 85 VA hospitals were affiliated with all of the country's 58 dental schools. In addition, 171 VA hospitals were engaged in the education and training of students of all other health care professions and occupations in affiliation with one or more universities, schools and colleges totalling some 2,100.

A significant result of the affiliations has been the ever-increasing number of VA staff professions who have been given faculty appointments. During the last year, that number was 7,563, nearly 1,000 more than the previous year. The VA supported approximately 7,100 full-time intern and resident positions. About twice that number rotate through these positions from affiliated teaching programs to VA hospitals for parts of their educational experience. All medical specialties except obstetrics gynecology and pediatrics are represented.

The diversity of the affiliations with various health schools is indicated by training arrangements with 58 Dental Schools, 381 Schools of Nursing, 72 Schools of Pharmacy, and 9 Schools of Optometry.

Additionally, students receive clinical experience in VA facilities from Departments of Social Work, Psychology, Rehabilitation Medicine, Audiology and Speech Pathology, Dietetics, and Physicians' Assistants. These arrangements have many benefits for many VA hospitals and to patients, and strengthens the opportunity to staff the hospitals and its specialists in a multitude of specialties.

The tripod of patient care, education and research, is very amply represented in the VA. Every field of medicine, including basic research, is covered in research projects which numbered over 5,000 in the last fiscal year. Many cooperative studies, including multi-research projects, were conducted. There were approximately 5,000 full-time equivalent employees in research.

The fruition of the Medical School affiliation with VA hospitals reached its peak in the past year with the awarding of Nobel prizes to two VA career scientists in the field of Medicine. These are the first Nobel Prizes to go to VA medical researchers and they represent one of the few times that these awards have ever gone to scientists employed by the U.S. Government. The VA winners were Dr. Rosalyn Yalow, VA Hospital, Bronx, New York; and Dr. Andrew V. Schally, VA Hospital, New Orleans, Louisiana. One-half of the $145,000 Nobel Prize was awarded to Dr. Yalow for the development of radioimmuno-assays of peptide hormones. The other half of the prize will be shared by Dr. Schally and Dr. Roger Guillemin of the Salk Institute in San Diego, California "for their discoveries concerning the peptide hormone production of the brain."

These accomplishments in research demonstrate the fact that the VA Medical System is devoted not only to the care of patients but also to the existence of the whole Nation as a major source of training, education and research with the results obtained being shared by the entire citizenry.

Certainly, these accomplishments are the strongest arguments against dismantling the system in any type of National Health Insurance program. The system as it is presently constituted, has accomplished much and can accomplish more in the future.

CLAIMS SERVICE

In the staff organization of the Veterans Affairs and Rehabilitation Commission there are twenty accredited representatives assigned to provide claims service for veterans, their dependents, and survivors; of this number six are Vietnam veterans. Fourteen representatives are assigned to the Washington, D.C. office, five are distributed between the VA Centers at St. Paul, Minnesota and Philadelphia, Pennsylvania, and one is assigned to the VA Regional Office, New York City, primarily to conduct appeal hearings in lieu of a hearing before the Board of Veterans Appeals, Washington, D.C. The Chief of Claims Service is responsible to the Director for the operation of this service.

In the Washington Headquarters, fourteen accredited representatives are detailed to represent claimants in cases before the Veterans Administration Central Office, Veterans Administration Regional Office, and boards of the Defense Department. They are assigned as follows: Four appeals representatives and one supervisor serving as counsel for claimants before the Board of Veterans Appeals; four claims representatives and one supervisor serving claimants whose cases are within the jurisdiction of the Veterans Administration Regional Office, Washington, D.C.; two representatives and one supervisor serving as counsel for applicants whose cases are under consideration by Armed Forces Review Boards and by Boards for Correction of Military, Air Force, and Naval Records. The Chief of Insurance Activities supervises the activities of our representatives at the Insurance Centers in Philadelphia, Pennsylvania, and St. Paul, Minnesota. Additionally, he serves as Chief of Contact who is the Veterans Affairs and Rehabilitation Commission staff representative whom claimants may contact with respect to filing claims for benefits with the Veterans Administration, or other Federal or local agencies. He will also act as a referral point for those claimants who wish to contact other Veterans Affairs and Rehabilitation Commission staff members who have been assigned their cases for handling at the Federal agency level in Washington, D.C.

The accredited representatives assigned to the Veterans Insurance Centers serve veterans whose insurance accounts are maintained therein. This includes claims for waiver of insurance premiums based on total disability, applications for new and reinstated insurance policies, and uncomplicated claims for insurance benefits matured by death.

The day-by-day activities of these accredited representatives are devoted to claims and case reviews. They frequently meet with supervisory and management personnel of the Veterans Administration and other service agencies to secure policy determinations beneficial to those veterans and dependents whom they are serving.

The representatives in the Washington office meet at frequent intervals to discuss the latest directives and instructions of the Veterans Administration and other Federal agencies to which they are assigned. During these meetings they exchange comments and ideas on cases presented to the governmental boards and on the propriety of the determinations made. On occasions our medical consultants meet with them to discuss medical problems relating to claims and to brief them on new developments in medicine and research. This is done to broaden the knowledge of these lay representatives on the latest approaches in the field of medical jurisprudence. Guest speakers from various Government departments appear at some of these meetings to discuss subjects of interest pertaining to claims within their respective agency. Occassionally, films are obtained concerning medical techniques, claims, rehabilitation, and subjects of interest to our claims representatives.

VETERANS AND DEPENDENTS CLAIMS SERVICE

This service of The American Legion is located in the Washington Regional Office, Union Center Plaza, 941 N. Capitol St., N. E., Washington, D.C.

The nature of claims handled by this section are very diversified in that the Washington Regional Office has jurisdiction over the following types of VA claims: all service rendered prior to July 16, 1903; Veteran employes in a foreign office; claims of Philippine Scouts and alleged recognized guerrillas who do not reside in the Philippines; and veterans residing in foreign countries, with the exception of Mexico which is serviced by the VA Office n Houston, Texas.

Also handled by this office are general law cases where entitling service was rendered prior to April 21, 1898; cases where entitlement arose under a Special Act of Congress; residents of the U.S. Soldiers Home, Washington, D.C.; claims involving residents in Iron Curtain Countries; and entitlement to benefits based on service in various Allied Forces.

Due to the diversity of the type and nature of claims handled by this staff, it is also a training office for new employees of the Veterans Affairs and Rehabilitation Commission. Currently, one Vietnam veteran is assigned to this unit as a trainee.

During the period begining July 1, 1977 and ending June 30, 1978, this section reviewed 6,049 government files, of which 4,105 were presented informally and 40 were formal hearings. They filed 4,370 claims or evidence in support thereof, had 197 Congressional contacts, 1,095 personal contacts and 4,006 telephone contacts.

BOARD OF VETERANS APPEALS UNIT

This report covers the activities of The American Legion appeals staff for the period July 1, 1977 through June 30, 1978. During this period, the staff presented 7,893 cases, an incerase of 109 cases over the same period one year ago. During the 1977–78 reporting period the staff presented an average of 658 cases per month. Representatives appeared at formal hearings with claimant 296 times for an average of 25 formal hearings a month. Of the number of cases presented, 939 were allowed, 785 were remanded, and 293 of the cases remanded were allowed at the office of original jurisdiction following the remand development. The staff was successful in obtaining benefits in 1,246 cases or 15.7 percent of the cases presented.

The increase in the work load again appears to be a reflection of the present economy. The Board of Veterans Appeals Administrative Section predicts a similar increase, or even greater increase, in the caseload for the twelve-month period beginning July 1, 1978.

The staff was reduced due to the prolonged illnesses of two experienced representatives. Supervisor Garrett J. Bowman was hospitalized for the majority of the six-month period beginning January 1, 1978.

The other representative, Charles Michael, was hospitalized for a considerable length of time and died on June 3, 1978. The loss of services of these two fine representatives placed an additional work load on the remaining appeals staff and we are grateful for the temporary assistance rendered us by other members of the staff.

The services of Charles Michael will be sorely missed, and our sympathies and condolences are extended to his widow and family.

The staff takes this opportunity to express our appreciation to the Department Service Officers for their assistance and cooperation throughout the year in the preparation and development of appeals.

SPECIAL CLAIMS SERVICE

This report on The American Legion Special Claims Unit covers the period from July 1, 1977 through June 30, 1978. During this period, 170 cases were reviewed at the request of Department Service Officers by the National Staff. Most of these requests were for advisory opinions relative to the best procedure to follow to secure favorable action in individual cases, or request for an opinion from our Medical Consultant.

The staff receives excellent cooperation from the Administrative Section of the Board of Veterans Appeals in securing these cases from the Regional Offices. The time required to secure the file and get a reply back to the Department Service Officers or other accredited representatives has been substantially reduced.

The staff welcomes this opportunity to be of service to our Department Service Officers.

ARMED SERVICES REVIEW AND CORRECTION BOARDS

Statutory authority for the existence and operation of these boards is set forth in sections 1552, 1553 and 1554 of title 10, United States Code. During the period beginning July 1, 1977, and ending June 30, 1978, staff representatives of this Commission assigned to duties before these Department of Defense Boards afforded representation in 2,144 applications for the following: review of physical evaluation board decisions, discharge or dismissal cases, and correction of military, naval, or air service records. The following is a breakdown of the actions taken by the separate service department boards on those applications presented:

BOARDS FOR CORRECTION OF MILITARY RECORDS, FISCAL YEARS 1977-78

	Presented	Allowed	Pending decisions
Department of Air Force	168	29	28
Department of Army	264	115	35
Department of Navy and U.S. Coast Guard	425	12	368
Total	857	156	431

MILITARY AND NAVAL DISCHARGE REVIEW BOARDS

	Presented	Allowed	Pending decisions
Department of Air Force	277	116	38
Department of Army	797	364	88
Department of Navy and U.S. Coast Guard	213	28	46
Total	1,287	508	172
Combined grand total	2,144	664	603

FIELD SERVICE

The Assistant Director for Claims and Field Service retired after thirty three years of service on May 31, 1978. The Field Service currently consists of the Chief of Field Service and Four Field Representatives.

Three of the Field Representatives are based at our Washington Headquarters. One member of the Staff, who serves the Western area, is headquartered at VA Regional Office in Boise, Idaho. His office was established in July 1, 1976 as an economy move to reduce the cost of travel.

Specific areas are assigned to each Field Representative. The permanent assignments have proven to be effective and will be continued. The assignments are as follows:

Area I. Eugene V. Halstrom

Arizona
California
Colorado
Idaho
Montana
Nevada
Oregon
Utah
Washington
Wyoming

Area II. Winston Wiggs

Illinois (Marion)
Iowa
Kansas
Minnesota
Missouri
Nebraska
New Mexico
North Dakota
Oklahoma
South Dakota
Texas

Area III. Donald M. Lory

Alabama
Arkansas
Florida
Georgia
Kentucky
Louisiana
Mississippi
North Carolina
South Carolina
Tennessee
Virginia

Area IV. Michael French

Delaware
Illinois
Indiana
Maryland
Michigan
Ohio
Pennsylvania
    Altoona
    Butler
    Coatesville
    Lebanon
    Wilkes-Barre

Area V. Vacant

Connecticut
Maine
Massachussets
New Hampshire
New Jersey
New York
Rhode Island
Vermont
Washington, D.C.
Pennsylvania
    Erie
    Philadelphia
    Pittsburgh

Hospital visits are scheduled on a rotating basis. There are times, however, when it becomes necessary to schedule special visits because of particular problems that are brought to our attention by colleagues in the field.

Following is a breakdown of activities for the period of July 1, 1977 to June 30, 1978:

FIELD SERVICE VISITATION REPORTS

[Nos. 7–054 through 8–043]

Representative	Reports submitted	Recommendations
French	16	2
Halstrom	27	5
Lory	7	7
McDonald	16	15
Wiggs	20	16
Toloczko	1	0
Total	87	45

Breakdown of reports:	
Hospitals:	
General medical and surgical	50
General medical and surgical-nursing home care unit	13
General medical and surgical-domiciliary	3
General medical and surgical-Neuropsychiatric nursing home care unit	1
General medical and surgical domiciliary nursing home care unit	1
Neupsychiatric-nursing home care unit	7
Neuropsychiatric	2
Centers:	
General medical and surgical-regional office	2
General medical and surgical-domiciliary	0
General medical and surgical-regional office nursing home care unit	1
General medical surgical-neuropsychiatric, domiciliary nursing home care unit	0
General medical and surgical-domiciliary, nursing home care unit	2
Domiciliary	1
Total	87
Disposition of recommendations:	
Approved	10
Disapproved	3
Pending	7
Awaiting VA reply	1
Total	21

OPERATION POST HOME

The pilot program was launched by the West Duluth Post No. 71 in October 1977. It was a joint effort of the Legion and Auxiliary on the local District and Department level. The Post and Unit worked hand in hand. The Eighth District Resolution supporting the project put things in motion in a positive way. Posts from other parts of the state donated almost $500 in support of the Duluth activities. Later a St. Paul Post donated $485.

The program survived a bitter winter and a transportation strike. It is being operated on a one day a week basis structured around a luncheon. By March 1978 the Post was serving up to 90 lunches. The program included entertainment, educational discussions and visits from staff members of the Minneapolis and St. Cloud VA Hospitals and others.

The Minneapolis VA Hospital and particularly the Voluntary Service Staff, have been most helpful in carrying out the program. A staff member assigned to the project has attended practically every meeting. His services are invaluable.

During the year we presented the program at Department functions in Illinois, Florida and Pennsylvania. In January 1978 Post 1181, Cisco, Illinois inaugurated a program and on June 7, 1978 the Gopher Post 440, Minneapolis, Minn. started its program.

Our experience dictates that the program is workable and in the coming American Legion year, with the cooperation of the American Legion Auxiliary, we hope to promote the program towards a goal of at least one "Operation Post Home" in each Department.

At the Spring 1978 meeting the National Executive Committee passed a resolution making "Operation Post Home" an American Legion Program. As this report is being prepared we are in the process of putting together a printed brochure.

VAVS

The American Legion's representation in the National Veterans Administration Voluntary Service Advisory Committee consists of the Director of the National Veterans Affairs and Rehabilitation Commission serving as the Representative supported by the Special Assistant to the Director and the Assistant Director serving as Deputy Representatives. All three were active on the subcommittees to which they were assigned. They assisted in the planning of the Thirty First Anniversary Meeting held in Washington, D.C., on October 26-28, 1977.

This anniversary meeting was most informative. All working meetings and social gatherings were well attended.

One of the topics that held great interest at the conference was a subject titled Patient Services. The goal is to develop a comprehensive recreation program at Veterans Administration Hospitals. The object is to fully utilize the skills of the hospital staff by exploring alternatives in scheduling, available resources and multi-use of space and facilities. A study will also be made to implement the use of available community recreation resources. Volunteer assistance will also be needed. The results of this Pilot Program was submitted to VA Central Office in January, 1978. No comment has been received from Central Office in regard to this Pilot Program.

GOVERNMENT LIFE INSURANCE ACTIVITIES

At the end of fiscal year 1976 the eight life insurance programs supervised or administered by the Veterans Administration provided coverage exceeding $103 billion to nearly 8.1 million insureds. The programs are segregated with their own funds established in the U.S. Treasury. Each fund is credited with its own premium interest and other income, and similarly debited with its own disbursements. The Veterans Administration life insurance program is the world's largest.

The Chief of Insurance Activities, the Director of the National Veterans Affairs and Rehabilitation Division and the Commission are required by National Convention and National Executive Committee meeting mandates, to support legislation as will maintain the integrity of United States Government Life and National Service Life insurance programs, the trust funds established and contracts issued thereunder, in accordance with sound insurance practices.

The Chief of Insurance supervises the staff of the Philadelphia and St. Paul insurance offices, and provides guidance and assistance to the staff representatives in those offices. He handles inter-office policy matters as well as general or written policy questions, with the Administrator of Veterans Affairs, the Assistant Director of Insurance, and other Veterans Administration personnel.

He likewise reviews and appears on insurance appeals. In addition, he presents administrative reviews to appropriate authority for adjustments in and restoration of contracts of insurance benefits, where the service at lower levels of administration failed to properly apply policy regulation of law. He also prepares draft bills for the Director to be presented to the Veterans Affairs Committees of the Congress, and engages in research on insurance matters.

VA Insurance Centers—Philadelphia, Pa., and St. Paul, Mn.

The insurance staff in Philadelphia is headed by a supervisor with two insurance representatives, and three supporting stenographic personnel. The staff in St. Paul is headed by a supervisor, one insurance representative and two supporting stenographic personnel.

Each supervisor and insurance representative must have technical knowledge of all VA insurance programs so as to properly represent insureds before the Underwriting and Insurance Claims Divisions. They handle matters concerning

USGLI and NSLI contracts, correspondence, insurance and claims records, as well as representing claimants. They are charged with analyzing VA directives on procedure involving insurance and claims, and represent The American Legion on policy matters in the particular VA Insurance Center. In this respect they keep the Director and other supervisory personnel fully informed on policy consideration, changes in VA administrative procedures, and other related matters.

In their daily operation they perform a variety of services, such as: representing insureds in claims for benefits; reviewing of claims files and insurance records for the purpose of furnishing reports to service officers as well as individual insureds; maintain close liaison with Department Service Officers to assure prompt and adequate service; maintain a working knowledge of death claims and other programs for veterans and their dependents in addition to insurance; recommend and assist in the preparation of insurance appeals; and, furnish special reports and studies as requested by the Director or other supervisors. As the circumstances arise, they also participate in National, Area, and Department conferences and meetings.

The annual work load reported by these two offices reflects the extent of operation of The American Legion's service in the field of VA insurance. For the period July 1, 1977 through June 30, 1978, their consolidated work load reports show the following activities:

Letters received	8,811
Letters written	7,885
Evidence and claims filed	7,029
Files reviewed	6,445
Claims presented	2,217
Death insurance claims presented	2,674
Telephone calls in and out	5,976
Premium Accounts reviewed	1,080
Personal Contacts	977

VETERANS ASSISTANCE SERVICE

The American Legion Veterans Assistance Service, located in Washington, D.C., serves as a reservoir of information for all divisions of the National Headquarters. The main function, however, is to be of service to those veterans and dependents seeking information relating to various federal benefits administered by the Veterans Administration and other government agencies. This office also assists in the processing of claims filed with the various Discharge and Correction Boards within the Department of Defense. Other duties relating to The American Legion programs may be assigned by the Director of the National Veterans Affairs and Rehabilitation Division and the Office of the National Adjutant.

During fiscal year 1978, this office received 4,418 telephone inquiries; there were 387 personal in-office visits and numerous out-of-office contacts were made; 218 Congressional inquiries were handled through this office; and 294 original claims for benefits and reviews were filed. Many individuals requesting assistance with their claims were referred to the government agency in their jurisdiction. These claimants were referred to the Virginia Division of War Veterans Claims, the Maryland Veterans Commission, and the District of Columbia Department of Veterans Affairs. In addition, 230 written inquiries were received and 725 letters dispatched.

During the year, we received requests to assist veterans in obtaining admission to the Veterans Administration Hospital and transfer from that hospital to domiciliaries within the area. Several inquiries relating to medical assistance to those veterans residing in foreign countries were discussed with the VA Hospital and the problems resolved. Complaints regarding patient care at Veterans Administration Hospitals were received and either investigated or forwarded to the interested Department Service Officer for his investigation. Upon request, visits were made to patients at the VA Hospital and also at the Walter Reed Army General Hospital.

Additional duties included participation in ceremonies and funerals at Arlington National Cemetery.

ACCREDITED REPRESENTATIVES

It is the duty and responsibility of The American Legion to assist veterans, their widows and dependents in obtaining benefits to which they may be entitled to under the law. The American Legion, as a Congressionally chartered service organization, conducts its program activities through the Veterans Affairs and Rehabilitation Commission.

Claimants are represented before the Veterans Administration and other Federal agencies by The American Legion Department Service Officers and their staffs and the staff of the Veterans Affairs and Rehabilitation Division. In accepting VA Form 23–22, Appointment of Organization as Claimant's Representative, The American Legion assumes a legal and moral obligation to provide all possible assistance under the law.

All requests for accreditation require the completion of VA Form 2–21, Recommendation for Accreditation of Representative of an Organization. Following the endorsement of the Department Commander or the Department Adjutant, the form must be submitted to the Director, Veterans Affairs and Rehabilitation Commission as National Certifying Officer, Washington, D.C. for review and approval. The form is then referred to the General Counsel of the Veterans Administration requesting accreditation of the designated individual. These individuals are designated and certified by the VA as the accredited representatives of the organization.

In the event of termination of employment or appointment through death or resignation, the Department Commander or Department Adjutant must formally advise the National Certifying Officer of the need to cancel the individual's accreditation. This request is referred to the Veterans Administration for action. Annually the Office of the General Counsel publishes an Information Bulletin listing the accredited representatives of The American Legion and the various veterans service organizations. This list is periodically up-dated to reflect new accreditations and cancellations.

As of the end of the reporting period, there were a total of 1,030 Legionnaires or full-time employees of The American Legion serving as accredited representatives. During this period, there were 112 requests for accreditation and 109 requests for cancellation of accreditation.

DISTRIBUTION OF VA RELEASES

To ensure that members of the Veterans Affairs and Rehabilitation Division are kept advised and informed of changes in the laws and regulations effecting veterans' programs, the Administrative section of the Director's office maintains a reference library and distributes copies of new and revised VA regulations, as well as other publications of particular interest. Information of special interest to service officers in the field is sent out in the form of Rehabilitation Bulletins and Memoranda. Special requests for a particular VA publication can be submitted by a Department to the Director's office and an effort will be made to obtain the material from the VA's Central Supply Depot, if available.

Department officials can request that selected Legionnaires be placed on the VA's mailing list to receive VA publications. It is necessary that the Department complete VA Form 07–3215 and forward it to the Special Assistant to the Director, Veterans Affairs and Rehabilitation Commission, Washington, D.C. for certification. The approved form will be returned to the Department official submitting the form who must then submit it to the Publication Officer at the VA office nearest the selected Legionnaire's home or place of business.

PERSONNEL AND ORGANIZATION

During this year there were several personnel changes. On August 31, 1977, Edward H. Golembieski retired as Director of the Veterans Affairs and Rehabilitation Commission after more than 30 years of service to The American Legion. Robert E. Lyngh, Deputy Director, was appointed as the new Director, effective September 1, 1977. Also effective on September 1, 1977 was the appointment of Thomas M. Schneiders, Chief of Research and Information, as Assistant Director. On September 30, 1977, Frank W. Dodson, Jr., Field Representative, was reassigned to the Veterans and Dependents Claims Unit as a Claims Representative, and Michael G. French, Claims Representative was reassigned as a Field Representative. Gerald S. Larson, Insurance Representative, St. Paul, resigned on January 13, 1978. On March 6, 1978, Thomas E. Leaman joined the staff as an Insurance Representative in St. Paul. Frank Henderson, Claims Representative, resigned on April 28, 1978 to accept a position with Civil Service. Effective May 31, 1978, Peter S. Toloczko, Assistant Director for Claims and Field Service, retired after 30 years of service. Edward F. McDonald, Field Representative, was appointed Chief of Field Service on June 1, 1978. On June 12, 1978, Noel C. Woosley joined the staff as a Claims Representative assigned to the Veterans and Dependents Claims Unit.

Also during the year, the Veterans Affairs and Rehabilitation Commission suffered the loss of two long-time staff members. Mr. Thomas S. McElwain, Insurance Representative, Philadelphia, died on March 7, 1978 after a long illness. He had been on the staff since May 7, 1962. On June 3, 1978, Charles L. Michael, Appeals Representative, died. He had been a member of the staff since May 20, 1963. They will both be greatly missed.

The staff organization is described in the following chart:

Washington Office:	
Director	1
Administrative Assistant	1
Special Assistant to the Director	1
Secretary	1
Total	4
Assistant Director	1
Secretary	1
Chief of Program Management	1
Chief of Claims	1
Secretary	1
Chief of Field Service	1
Field Representatives	6
Secretary	1
Supervisor, Veterans and Dependents Claims Unit	1
Claims Representatives	4
Stenographer	1
Supervisor, Defense Dept. Review Boards	1
Review Board Representatives	2
Supervisor, Board of Veterans Appeals	1
Appeals Board Representatives	4
Stenographer	1
Clerk Typist*	1
Chief, Insurance Activities/Contact	1
Receptionist*	1
Consultants:	
Medical	2
Medical Secretary	1
Legal Consultant	1
Subtotal	35
Total Washington office	39
New York Office:	
Rehabilitation Representatives	1
Secretary	1
Subtotal	2

* On assignment from Administrative Service.

Insurance Field Offices:

Philadelphia:	
Supervisor, Insurance Activities	1
Insurance Representatives	2
Secretary	1
Stenographers	2
Subtotal	6
St. Paul:	
Supervisor, Insurance Activities	1
Insurance Representative	1
Secretary	1
Stenographer	1
Subtotal	4

Total Staff:

Washington Office	39
Field Offices	12
Total	51

STAFF FIELD ASSIGNMENTS

In the past year, the Director of the Veterans Affairs and Rehabilitation Division participated in Area C and Area D VA&R Conferences and all five American Legion Auxiliary Area Conferences. Mr. Lyngh also participated in schools for service officers in Georgia, Louisiana, and Pennsylvania. Special visits were also made to the Philadelphia Regional Office and to VA hospitals in New York and Pennsylvania.

Messrs. Toloczko, Schneiders, and Sommer attended the meetings of the National Executive Committee in Indianapolis and also the 59th National Convention in Denver, Colorado. Mr. John Sommer made an official visitation to the Department of New Mexico. Mr. Thomas Schneiders participated in the Department of Arkansas Service Officers School. Mr. Philip Wilkerson participated in the Florida State Department of Veterans Affairs Service Officers School.

Various staff members visited the Departments of Arizona, California, Colorado, Georgia, Illinois, Indiana, Kansas, Louisiana, Maryland, Massachusetts, Missouri, Montana, Nebraska, New York, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Virginia, Washington, West Virginia and Wyoming.

STAFF WORKLOAD

During the reporting period, the offices of the Veterans Affairs and Rehabilitation Commission received over 41,474 pieces of mail. The Washington office received 33,818 pieces of correspondence and other mail. The field offices in New York, Philadelphia and St. Paul received 7,656. The majority of the correspondence received related directly to veteran's claims and requests for information and assistance.

In response, the offices dispatched a total of over 14,183 pieces of correspondence to claimants, the Veterans Administration, and service officers in the field.

The Washington and field offices reported the following workloads for the year: 26,611 cases reviewed; 15,271 claims presented to the various Boards of the Veterans Administration and Department of Defense; 14,469 claims and evidence filed; 609 Congressional contacts; 5,020 personal contacts and 15,300 telephone contacts.

National Field Service Representatives make periodic official visitations to VA hospitals, nursing homes, and domiciliaries during the year. These visitations are to assess the quality of care and the timeliness of care and service being pro-

pages tightly bound

best copy available

vided by these facilities. At the request of a Department, special visitations are undertaken to investigate particular problem situations. Following each visitation, a formal written report is made to the Director and the Chairman of the Veterans Affairs and Rehabilitation Commission. In addition, copies of these reports are provided the VA's Department of Medicine and Surgery, and the Veterans Affairs Committees of the Senate and House of Representatives. Staff of the Veterans Affairs and Rehabilitation Division assisted in the planning and coordination of all American Legion Auxiliary Conferences, and supplied each Conference with printed programs.

CERTIFICATES OF APPRECIATION

Under authority of May 1958 NEC Resolution, we have continued the program of awarding a Certificate of Appreciation to officials of the Veterans Administration, upon their retirement or resignation, "for services rendered and cooperation extended in connection with The American Legion's rehabilitation program." Under criteria established in line with the enabling resolution, nominations for the award are submitted by Department or national officials of The American Legion twice a year. The nominations are considered by a committee of the National Veterans Affairs and Rehabilitation Commission at meetings preceding the National Veterans Affairs and Rehabilitation Conference, and the National Convention. The committee recommends to the Commission the names of those considered deserving of the Certificate.

Forty-four Certificates of Appreciation have been awarded during the period July 1, 1977 through June 30, 1978, for an overall total of 654 since the program was initiated.

CITATIONS FOR MERITORIOUS SERVICE

This Citation, authorized by the National Executive Committee in May 1956, seeks to recognize the long and faithful service of Post Service Officers and others. Nominations for the Citation are submitted by Department officials to the Veterans Affairs and Rehabilitation Director at any time; the Director, acting for the Chairman and members of the Commission, issues the award.

One hundred and eleven Citations "for meritorious service and loyal cooperation in The American Legion's Veterans Affairs and Rehabilitation Program" have been presented during the period July 1, 1977–June 30, 1978. Since this type of recognition and appreciation began, a total of 1,883 Citations for Meritorious Service have been presented.

AMERICAN LEGION AUXILIARY AREA VETERANS AFFAIRS AND REHABILITATION CONFERENCES

The American Legion Auxiliary held five Area Veterans Affairs and Rehabilitation Conferences during the past year.

The meetings were held in Chicopee, Massachusetts (Area A); Newark, New Jersey (Area B); Oklahoma City, Oklahoma (Area C); Midland, Michigan (Area D); and, Albuquerque, New Mexico (Area E). The staff of the Veterans Affairs and Rehabilitation Commission made arrangements for a meeting between the National Veterans Affairs and Rehabilitation Committee, American Legion Auxiliary, and various Veterans Administration officials. The ladies were briefed on the Veterans Administration's plans and objectives for each of the conferences, and plans made for the assignment of specific VA officials to participate in the conferences. Staff also assisted in providing each auxiliary conference with printed conference programs.

The Director of the Veterans Affairs and Rehabilitation Commission attended each of the five area conferences and appeared on the program at each meeting.

VETERANS AFFAIRS AND REHABILITATION REPORT

AMERICAN LEGION AUXILIARY

Mrs. BERNARD F. KENNEDY, New York, *Chairman*

The concepts of mutual aid and support—of working and sharing with other people—and of caring about the needs of our nation's veterans—are very old traditions which have characterized the best of the American Legion Auxiliary. In establishing a complete program of volunteerism this year, our Veterans Affairs and Rehabilitation Committee adopted the slogan, "Help Wanted! We Dare to Care!" and proceeded to expand our services and improve our record of achievement.

53 Departments shared in making the welfare of the veteran in the hospital and in the community their full responsibility. With 172 Veterans Administration hospitals, plus military, state and city hospitals, nursing homes, halfway houses and private institutions to care for, our volunteers have risen to the challenge of meeting the needs of those who have given in defense of our freedoms. An enrollment of 5,702 new volunteers brought our number to 62,991 who served 2,850,494 hours daring to care for 632,292 veterans. Expenditures totaled $3,517,460 for 37,040 programs in hospital and field service.

The five Area Conferences provided new opportunities for greater service from those who "Dare to Care." Representatives from the Veterans Administration, volunteens from across the nation, and speakers from the National Council on Alcoholism presented the challenge to not look back at the past, but to take a "New Look" at what is happening today. The Director of The American Legion's Veterans Affairs and Rehabilitation Commission, Robert E. Lyngh, was most definitive in presenting The American Legion's 1978 goals, as well as in stressing the importance of being well-informed on all legislation affecting the veteran and his family. The enthusiastic participation exhibited by the 837 representatives in attendance truly demonstrated the clarity of purpose and the responsiveness to change in the program of service to veterans to which our membership is so faithfully dedicated.

The National Committee has continued its coordination with The American Legion Veterans Affairs and Rehabilitation staff in conducting the pilot programs initiated last year—"Operation Post Home" and Geriatric Day Centers and Outpatient Clinics in Post Homes. It is hoped that these pilot programs will soon provide the guidelines for similar centers and clinics in areas requiring many miles of travel for the veteran to receive medication or regular checkups by the VA.

The Veterans Administration's Department of Medicine and Surgery has introduced a new project to enhance services provided for patients during evenings, weekends and holidays. The project is designed to combine voluntary service and recreation into "Patient Services," and at present, involves three Virginia, two West Virginia, and four Ohio VA hospitals.

Social changes have brought changes in voluntary services. Additional and specially trained volunteers of all ages will be needed to assist the Veterans Administration to meet these changes and provide improved patient care services. We will need to continue advertising for volunteers to serve in hospitals and in communities—and we will need to keep alert and take action against proposed legislation that threatens to eliminate the rights and benefits our veterans deserve.

The services rendered by American Legion and American Legion Auxiliary volunteers can be measured only in terms of heart warming acts of comfort and kindness that are so necessary in helping the ill, the disabled and the aged reestablish themselves in life. And so—quoting the penned words of James Kennedy, a veteran hospitalized at Little Rock Arkansas:

"To You We Bow"

When the VA built our hospital
To serve throughout the years
They saw the need to summons
True, faithful volunteers

There wasn't any promise
Of wage or gain nor pay
Just a chance to help some soldiers
Who had faltered on their way

The hearts of many answered
They were glad to show their pride
In men who had saved their country
Against the evil tide

The countless throng of veterans
Who've reaped their goodness shown
Henceforth are ever thankful
That these care for their own

For when one's foot has stumbled
Or he's weathered by the years
It's like seeing earth-bound angels
When we see you volunteers!

DIRECTOR OF HOSPITAL VOLUNTEERS

Mrs. WILLIAM CALDER, Utah

American Legion Auxiliary hospital volunteers have answered "Help Wanted—We Dare to Care" throughout our nation. Thousands of hospital volunteers providing over one million volunteer hours of service have shown that they do "Dare to Care" for those who have given of themselves so we may enjoy the freedoms we have.

Hospital volunteers have participated in programs in the one hundred seventy-two Veterans Administration hospitals, facilities and centers. They have also given time, services and finances in Veterans Administration outpatient clinics, military hospitals, state hospitals, soldiers and sailors homes, mental institutions and other hospitals wherever veterans are in need of our services. Senior members, junior members, American Legion members, Sons of The American Legion members and non-affiliated volunteers have contributed the hours of service through our organization. Over 1300 new regular service hospital volunteers have been enrolled. Many husband-wife, mother-daughter, mother-daughter-granddaughter, brother-sister, and father-son teams have been reported as working in hospitals.

Various programs have been reported. Some of these unique programs are: Illinois-special project collecting money for a needed ambulance at a Veterans Home. The ambulance will be used to transport patients to the Veterans Administration hospital for treatment. Alabama-one unit entertained veterans released from the VA hospital with a party. Minnesota-has cooperated with The American Legion and the Veterans Administration in establishing and formulating "Operation Post Home." This program is planned to use American Legion Post Homes as civic centers for recreation and occupational therapy and in some instances, a hot meal. Arizona—a beautician is provided to shampoo, cut and set patients hair. Montana-home town newspapers are provided for patients. Also, honored employees at two hospitals on "Honor employees Day." We could go on and on—such as providing clothing, tray favors, personal articles, bingo parties, off-station luncheons, fish outs, picnics, dances, letter writing, aid in obtaining pensions and school financing. Wherever the needs are, you can be sure the hospital volunteers are there!

Subscriptions to The American Legion Legislative Bulletin have been stressed at all Veterans Affairs and Rehabilitation Area Conferences. It has been reported that Veterans Affairs and Rehabilitation Chairmen, VAVS representatives and volunteers are more aware of this Bulletin and the feeling is to "Dare to Care" by having the knowledge of veterans legislation.

Many Departments are giving special recognition to the hospital volunteers. Special thanks are given at District and Department Conventions as well as at special luncheons, etc. I would like to give special thanks to all hospital volunteers. You share love, time and energy—the intangible thing. You do "Dare to Care" by being a part of the vast team that "Dares to Share" of themselves.

DIRECTOR OF FIELD SERVICE VOLUNTEERS

Mrs. LESTER P. HENKENS, Nebraska

Certainly, it is with a great deal of pride and happiness that I report the Field Service accomplishments in our Veterans Affairs and Rehabilitation Program. The Field Service Orientation Classes have been the highlight and necessity in many Departments. The newly published Guide for Volunteers has been helpful in the orientation classes and for the new Field Service Volunteers. Other Departments are working diligently to complete files and records of the qualified Field Service Volunteers and Directors. Surveys have been made in the communities to find the veterans living in their own homes as well as those residing in the Nursing Homes and State Veterans Homes. Follow-up of returning patients from the Veterans Administration hospitals is the work of the Field Service Volunteer.

The 690,640 volunteer hours given by the Field Service Volunteers proves they "Do Dare to Care" to provide a little extra happiness for the veteran and his family. The "Help Wanted Ads" and fliers at Department Conventions seeking interested persons who wish to spend an hour or two once a week have been very successful. Newly recruited Field Service Volunteers and those faithful volunteers previously qualified have certainly provided the extra special attention, kindness, and concern for the veteran in the non-referral homes in each area.

The 487 orientation classes given qualified 2,960 new Field Service Volunteers. It is unbelievable when the reports were completed to see that 96,160 veterans had been remembered with parties, gifts, dances, clothing, treats, prizes, and care in many ways, expending $210,[illegible]35.79.

The American Legion members have been invited and encouraged to take the orientation course and participate as a volunteer. It is rewarding to know that 1,738 Legionnaires are serving as Field Service Volunteers and contributed 66,857 hours the past year. We need to seek out the retired citizen who is willing to lend his assistance and knowledge serving the veteran. Many Units have entered the "Adopt a Vet" program bringing the individual much happiness.

The reports have been wonderful indicating you have answered the call for "Help Wanted." Keep lighting the lamps in the hearts and lives of our veterans. "We Do Dare to Care!"

VETERANS ADMINISTRATION VOLUNTARY SERVICES REPRESENTATIVE

Mrs. JOHN J. POWEL, Delaware

The National VAVS Annual Meeting held October 26–28, 1977 was attended by National Vice President, Mrs. Earl Bigalow and this National Representative. As the VA Voluntary Service entered its fourth decade, the theme was wisely selected as we join together to meet the challenges ahead.

The report of the Annual Meeting, the results of the Group Discussion on Extended Care and Ambulatory Care, and the 1977 recommendations were sent to the Veterans Affairs and Rehabilitation Committee members and the 172 VA Hospital Representatives.

The Annual Joint Reviews have been carefully studied and recorded by this National Representative and have been evaluated and answered by the Deputy Representative, Mrs. William Calder.

The Department of Medicine and Surgery initiated on September 1, 1977 a project to test the effectiveness of a new internal organization. This organization will be a realignment of existing programs in order to enhance services provided for patients during evenings, weekends and holidays.

The test project for the proposed "Patient Services" structure extended through January 1978 in nine VA hospitals. The project is being carefully studied and will be a subject of discussion during the 1978 Annual Advisory Committee meeting.

As the American Legion Auxiliary National Representative, I have been privileged to served to the Planning Committee for the 1978 Annual Meeting and as Vice Chairman of the Subcommittee on Recommendations. All VA hospital representatives, deputies and volunteers have been given the opportunity to submit to this Subcommittee, in the form of a recommendation, any problems they may have encountered.

The Area Conference workshops for all VA hospital representatives were initiated for the purpose of information exchange, problem, solving, training, etc. Covered in the workshop were the duties and responsibilities such as: Organizing and planning, cooperation with hospital staff, cooperation with other organization representatives, coordination among the Units, education and training correspondence, reports, recognition, public relations, etc. A member of the VA staff from Central Office in Washington, D.C. attended each of the five Area Conferences and spoke on the role of the VAVS representative in the hospital.

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Financial Statements
December 31, 1977
Prepared in Accordance With
Requirements of Federal Charter

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Table of Contents

Page

FINANCIAL STATEMENTS:

Accountants' opinion 1

Exhibit A--Statement of income 2

Exhibit B--Statement of financial condition 3-4

Exhibit C--Statement of changes in fund balances 5-10

Notes to financial statements 11-15

SUPPLEMENTARY INFORMATION:

Accountants' opinion 16

Exhibit D--Statement of operations, Publications Division 17

Exhibit E--Statement of operations, Emblem Division 18

Schedule B-1--Analysis of cash on deposit and on hand 19

Schedule B-2--Analysis of prepaid expenses, supplies, advances and deposits 20

Schedule B-3--Analysis of furniture, fixtures and equipment and accumulated depreciation 21-22

Schedule B-4--Overseas Graves Decoration Trust Fund investments 23-24

Schedule B-4(a)--Overseas Graves Decoration Trust Fund, cash receipts and disbursements 25

Schedule B-5--Paid-Up-For-Life Membership Trust Fund investments 26-27

Schedule B-5(a)--Paid-Up-For-Life Membership Trust Fund, cash receipts and disbursements 28

Schedule B-6--Employees' Retirement Trust Fund investments 29-32

Schedule B-6(a)--Employees' Retirement Trust Fund, cash receipts and disbursements 33

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Table of Contents

Page

SUPPLEMENTARY INFORMATION (continued):

Schedule C-1--Analysis of Veterans Affairs and Rehabilitation Fund 34

Schedule C-2--Analysis of Children and Youth Fund 35

Schedule C-3--Analysis of other current restricted funds 36

Schedule C-3(a)--Pershing Hall Memorial Trust Fund
cash receipts and disbursements 37

Schedule C-4--Analysis of Employees' Retirement Trust Fund 38-39

GEO. S. OLIVE & CO.
CERTIFIED PUBLIC ACCOUNTANTS
320 NORTH MERIDIAN STREET
INDIANAPOLIS, INDIANA 46204
317-635-8631

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OFFICES IN PRINCIPAL CITIES

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[illegible]
RICHMOND
MUNCIE
FORT WAYNE
VALPARAISO
KOKOMO

March 31, 1978

Robert Charles Smith, National Commander,
The American Legion
National Headquarters,
Indianapolis, Indiana.

Dear Commander Smith:

We have examined the statement of financial condition of The American Legion National Headquarters as of December 31, 1977 and the related statements of income and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of The American Legion National Headquarters at December 31, 1977 and the results of its operations and its fund transactions for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

Geo. S. Olive & Co.

Certified Public Accountants

PERMISSION TO PUBLISH EXCERPTS FROM THIS REPORT OR REFERENCES THERETO, WITH MENTION OF OUR NAME, IS WITHHELD UNTIL THE FORM AND SUBSTANCE OF SUCH EXCERPTS OR REFERENCES ARE APPROVED BY US.

Exhibit A

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Statement of Income

	Year Ended December 31	
	1977	1976
REVENUES:		
National dues	$ 9,294,973	$ 6,804,043
Deduct: Dues allocated to:		
Rehabilitation	663,455	678,773
Publications Division	3,983,452	2,722,782
	4,646,907	3,401,555
Dues available for current operations	4,648,066	3,402,488
Publications Division (including dues allocation)	5,845,284	4,445,867
Emblem Division	2,866,016	3,027,413
Restricted income	321,405	306,608
Other income	734,511	585,940
	14,415,282	11,768,316
EXPENSES:		
Publications Division	5,429,676	4,985,516
Emblem Division	2,583,092	2,642,389
Salaries and employee benefits	2,930,006	2,841,922
Executive and staff travel	305,543	336,605
Commission and committee	523,621	654,042
Operational	825,648	764,415
Office	479,958	467,360
Occupancy and usage	326,186	230,735
Special projects (net of related income)	462,341	515,538
Charges to other areas (Publications, Emblem, Children and Youth, Veterans Affairs and Rehabilitation)	(1,384,461)	(1,326,142)
	12,481,610	12,112,380
NET INCOME (LOSS)--exhibit C	$ 1,933,672	$(344,064)

See accompanying notes to financial statements.

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Statement of Financial Condition

	December 31	
	1977	1976
ASSETS		
CURRENT FUNDS:		
Cash on deposit and on hand	$ 1,018,124	$ 1,155,291
Accounts receivable:		
Emblem and Publications Divisions	306,621	257,235
Other	110,259	29,336
Inventories--at cost:		
Publications Division	811,480	499,052
Emblem Division	632,014	563,623
Prepaid expenses, supplies, advances and deposits	232,050	184,863
Investments--at cost (market value $11,048,150 in 1977, $10,031,056 in 1976)--note 3	11,009,448	9,773,137
Furniture, fixtures and equipment--at cost	844,263	773,921
Deduct: Accumulated depreciation	545,632	509,279
	298,631	264,642
Washington, D. C. real estate--building and site--at cost	845,117	821,217
Deduct: Accumulated depreciation--note 4	385,433	370,608
	459,684	450,609
Add: Funded depreciation reserve (securities--market value $386,711 in 1977, $388,980 in 1976)--note 4	385,433	370,608
Total current funds	15,263,744	13,548,396
NONEXPENDABLE TRUST FUNDS:		
Overseas Graves Decoration Trust Fund:		
Uninvested cash	10,807	9,948
Investments--at cost (market value $344,415 in 1977, $349,779 in 1976)	368,773	359,917
	379,580	369,865
Paid-Up-For-Life Membership Trust Fund:		
Uninvested cash	888	5,175
Investments--at cost (market value $630,606 in 1977, $373,200 in 1976)	636,485	363,954
	637,373	369,129
Employees' Retirement Trust Fund--note 6:		
Uninvested cash	26,860	24,806
Accounts receivable from participating units	74,586	61,819
Investments--at cost (market value $8,489,169 in 1977, $7,969,718 in 1976)	8,651,609	7,753,352
	8,753,055	7,839,977
	$25,033,752	$22,127,367

See accompanying notes to financial statements.

Exhibit B

	December 31	
	1977	1976
LIABILITIES AND FUNDS		
CURRENT FUNDS:		
Accounts payable	$ 346,189	$ 222,150
Employees' withholdings	16,093	26,681
Accrued state and federal taxes	4,093	4,114
Emblem merchandise undelivered	95,398	105,268
Membership life insurance premiums payable--note 2	519,295	733,894
Deferred income:		
Dues received in advance	3,911,883	3,960,047
Subscriptions received in advance	2,925,522	2,962,035
Current fund balances--exhibit C:		
Restricted:		
Veterans Affairs and Rehabilitation Fund	570,025	191,538
Children and Youth Fund	168,981	155,152
Restricted Fund--notes 3 and 5	2,738,054	2,550,833
Reserve Fund--note 3	1,735,046	1,131,663
Freedom Bell Fund	165,028	150,139
Cancer Drive Fund	.....	3,808
Other restricted funds	72,450	66,098
Appropriated surplus reserves--note 5	1,113,605	1,129,946
Unappropriated surplus	882,082	155,030
Total current funds	15,263,744	13,548,396
NONEXPENDABLE TRUST FUNDS--exhibit C:		
Overseas Graves Decoration Trust Fund:		
Fund balance	379,580	369,865
	379,580	369,865
Paid-Up-For-Life Membership Trust Fund:		
Fund balance	637,373	369,129
	637,373	369,129
Employees' Retirement Trust Fund:		
Fund balance	8,753,055	7,839,977
	8,753,055	7,839,977
	$25,033,752	$22,127,367

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Statement of Changes in Fund Balances
Year Ended December 31, 1977

	Restricted Funds	Current Fund Balances: Appropriated Surplus Reserves	Current Fund Balances: Unappropriated Surplus
BALANCES, JANUARY 1, 1977	$4,249,231	$ 1,129,946	$ 155,030
ADDITIONS:			
Dues allocated for rehabilitation	663,455		
American Legion Endowment Fund Corporation income transferred to The American Legion	675,000		
Contributions received	62,090		
Investment income credited directly to fund	194,606		
Oratorical contest prizes charged against current operations	44,000		
Net income--exhibit A			1,933,672
	1,639,151		1,933,672
DEDUCTIONS:			
Expenditures charged directly to funds	1,661,759		
INTERFUND TRANSFERS--note 5:			
Allocations per National Finance Commission resolutions	1,222,961	56,449	(1,279,410)
Partial reinstatement of reserves as unrestricted funds--amount equal to 1977 expenditures charged to current operations		(72,790)	72,790
	1,222,961	(16,341)	(1,206,620)
BALANCES, DECEMBER 31, 1977	$5,449,584	$ 1,113,605	$ 882,082
	(Exhibit C--sheet 3)	(Exhibit C--sheet 2) and (Exhibit B)	(Exhibit B)

See accompanying notes to financial statements.

Exhibit C
Sheet 1

Nonexpendable Trust Funds		
Overseas Graves Decoration Trust	Paid-Up-For-Life Membership Trust	Employees' Retirement Trust
$369,865	$369,129	$7,839,977
	301,595	886,463
20,469	29,094	522,328
20,469	330,689	1,408,791
10,754	62,445	495,713
$379,580	$637,373	$8,753,055
(Exhibit B)	(Exhibit B)	(Exhibit B)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Statement of Changes in Fund Balances
Year Ended December 31, 1977

	Current Appropriated			
	Publications Reserve	Spirit of '76 Reserve	Special Membership Program Reserve	Real Estate Reserve
BALANCES, JANUARY 1, 1977 . . .	$ 105,857	$ 18,937	$ 37,452	$820,577
INTERFUND TRANSFERS--note 5:				
Allocations per National Finance Commission resolutions		(18,937)		21,400
Partial reinstatement of reserves as unrestricted funds--amount equal to 1977 expenditures charged to current operations . . .	(2,984)		(31,018)	
	(2,984)	(18,937)	(31,018)	21,400
BALANCES, DECEMBER 31, 1977 . .	$ 102,873	$	$ 6,434	$841,977

See accompanying notes to financial statements.

Exhibit C
Sheet 2

Surplus Reserves

Convention Reserve	Employee Insurance Premium Stabilization Reserve	Presidential Inauguration Reserve	An American Legend Reserve	Joint Chiefs Of Staff Reception Reserve	Total
$60,000	$ 62,243	$ 10,000	$ 14,880	$	$ 1,129,946
	38,986	5,000		10,000	56,449
		(15,000)	(14,880)	(8,908)	(72,790)
	38,986	(10,000)	(14,880)	1,092	(16,341)
$60,000	$101,229	$	$	$ 1,092	$ 1,113,605

(Exhibit C--
sheet 1)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Statement of Changes in Fund Balances
Year Ended December 31, 1977

	Current		
	Veterans Affairs And Rehabilitation Fund	Children And Youth Fund	Restricted Fund
BALANCES, JANUARY 1, 1977	$ 191,538	$155,152	$2,550,833
ADDITIONS:			
Dues allocated for rehabilitation . . .	663,455		
American Legion Endowment Fund Corporation income transferred to The American Legion	472,500	202,500	
Contributions received	12,510	22,250	
Investment income credited directly to fund			187,221
Oratorical contest prizes charged against current operations			
	1,148,465	224,750	187,221
DEDUCTIONS:			
Expenditures charged directly to funds .	1,369,978	210,921	
INTERFUND TRANSFERS--note 5:			
Allocations per National Finance Commission resolutions	600,000		
BALANCES, DECEMBER 31, 1977--exhibit B . .	$ 570,025	$168,981	$2,738,054

See accompanying notes to financial statements.

Exhibit C
Sheet 3

Restricted Funds				
Reserve Fund	Freedom Bell Fund	Cancer Drive Fund	Other Restricted Funds	Total
$1,131,663	$150,139	$ 3,808	$66,098	$4,249,231
				663,455
				675,000
	11	18,444	8,875	62,090
			7,385	194,606
			44,000	44,000
	11	18,444	60,260	1,639,151
641	4,059	22,252	53,908	1,661,759
604,024	18,937			1,222,961
$1,735,046	$165,028	$	$72,450	$5,449,584
				(Exhibit C--sheet 1)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Notes to Financial Statements

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The American Legion National Headquarters reports for financial statement purposes on the accrual method of accounting recognizing income when received and expenses when incurred.

The Legion, which is not taxable for federal income tax purposes (except on unrelated business income), maintains its accounts on a modified fund accounting basis wherein the Legion's accountability for a segment of its fiscal affairs is reflected in various restricted fund balances. While the Legion's general operations are reported in its statement of income (exhibit A), that portion of membership dues, contributions and other receipts and expenditures restricted for specific Legion projects are credited and charged directly to the respective restricted funds as set forth in the statement of changes in fund balances (exhibit C, sheet 3).

The Legion follows the practice of capitalizing significant additions to office furniture and equipment. These assets are being charged to general operations through depreciation charges computed on the straight-line method based on the estimated useful lives of the respective assets.

NOTE 2--MEMBERSHIP LIFE INSURANCE PROGRAM:

In connection with The American Legion's Life Insurance Plan, the Legion has created a Trust fund to which the First National Bank of Kansas City, Missouri, as Trustee, holds legal title. The accumulated earnings from the Trust fund and the experience rating refunds and dividends from the insurors (which combined to a total of approximately $2,670,000 as of December 31, 1977) may be used, as directed by the Legion, for any one or more of the following purposes:

(a) to increase the fund.
(b) to reduce or pay in full premiums thereafter due on the group insurance.
(c) to provide additional life insurance benefits for the participants.
(d) to make refunds to the participants.
(e) to make distributions to The American Legion to be used in the support of its activities and programs serving the interest of the Legion and its members, provided that such distributions are not disapproved in writing by a majority of its insured members.

In accordance with the provisions of item (e) above, the Legion's National Executive Committee has approved partial funding of the oratorical contest and baseball programs of The American Legion. Accordingly, as of December 31, 1977 the Trust has appropriated approximately $256,000 of accumulated earnings and experience rating refunds and dividends to be used for these designated programs during 1978.

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Notes to Financial Statements

NOTE 3--INVESTMENTS:

At December 31, 1977, The American Legion carried the following investments as a part of its current funds:

	Book Value			
	Restricted Fund	Reserve Fund	Unrestricted	Total
United States Government Obligations:				
U. S. Treasury bills(A)			$5,228,141	$ 5,228,141
U. S. Treasury notes(B)	$2,286,792	$1,497,570	1,308,207	5,092,569
U. S. Treasury bonds(C)	445,495	231,854		677,349
Uninvested cash	5,767	5,622		11,389
Totals	$2,738,054	$1,735,046	$6,536,348	$11,009,448

(A) Maturity dates range from January 10, 1978 to August 22, 1978.
(B) Maturity dates range from May, 1978 to August, 1986. Coupon rates range from 6 to 8 3/4%.
(C) Maturity dates range from February, 1980 to May, 1985. Coupon rates range from 3 1/4 to 6 3/8%.

NOTE 4--ACCUMULATED DEPRECIATION-- WASHINGTON, D. C. REAL ESTATE:

Since 1969 annual depreciation of the Washington, D. C. property has been credited to the accumulated depreciation balance with a corresponding amount of investments and cash added to the funded depreciation reserve. Earnings of the funded depreciation reserve are unrestricted and have been reflected as other income in the statement of income.

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Notes to Financial Statements

NOTE 5--INTERFUND TRANSFERS:

During the year ended December 31, 1977, the National Finance Commission authorized certain allocations from the Legion's unappropriated current funds (surplus) as follows:

(A) $600,000 to the Veterans Affairs and Rehabilitation Fund to provide the capital to continue the prescribed purposes of the Fund.

(B) $604,024 to increase the Reserve Fund, the principal portion of which can be expended only by action of the Legion at its national convention and by action of the National Executive Committee.

(C) $21,400 to the Real Estate Reserve representing the cost of certain major repairs and improvements to be made to the Washington, D. C. real estate.

(D) $38,986 to the Employee Insurance Premium Stabilization Reserve to provide the capital to continue the prescribed purposes of the Reserve.

(E) $10,000 to establish the Joint Chiefs of Staff Reception Reserve.

(F) $5,000 to the Presidential Inauguration Reserve to provide additional capital for the prescribed purpose of the Reserve.

In addition, the National Finance Commission approved the transfer of the remaining balance in the Spirit of '76 Reserve, which purposes had been accomplished, to the Freedom Bell Fund to provide additional capital for the prescribed purpose of that Fund.

NOTE 6--EMPLOYEES' RETIREMENT PLAN:

Since 1944, The American Legion has maintained a retirement plan for all eligible employees of the national headquarters and the Legion's various affiliated and subordinate groups. Contributions to the plan are made by the national organization and by the other participating groups on the basis of annual actuarial valuations. The annual cost as determined by the actuary is computed using the aggregate cost method. This method includes in normal cost any past service costs. The vested benefits of the participants do not exceed the fund assets.

Effective January 1, 1976, the plan was amended to comply with the requirements of the Employee Retirement Income Security Act of 1974. Pension expense amounted to $601,398 in 1977 and $585,823 in 1976.

NOTE 7--LEASE CONTRACTS:

During 1977, the Legion entered into a lease for computer equipment through July, 1982. The minimum monthly rental under the agreement, which is modified whenever the components of the equipment are changed, currently amounts to $16,700. Total rental expense for computer facilities, under this lease and a similar agreement which expired in 1977, was $200,003 in 1977 and $182,756 in 1976.

In addition, the Legion has a lease with the State of Indiana for rental of the national headquarters building in Indianapolis. According to the terms of the lease, which expires in November, 1981, in lieu of rental payments the Legion is required to maintain the interior of the building, as well as provide adequate insurance on the building. The cost of maintenance and insurance approximated $233,900 in 1977 and $183,400 in 1976. The Legion has the option of renewing the lease with the same terms through November, 1985.

SUPPLEMENTARY INFORMATION

GEO. S. OLIVE & CO.
CERTIFIED PUBLIC ACCOUNTANTS
320 NORTH MERIDIAN STREET
INDIANAPOLIS, INDIANA 46204
317-635-8631

MEMBER OF THE AMERICAN
GROUP OF C. P. A. FIRMS WITH
OFFICES IN PRINCIPAL CITIES

INDIANAPOLIS
EVANSVILLE
RICHMOND
MUNCIE
FORT WAYNE
VALPARAISO
KOKOMO

March 31, 1978

Robert Charles Smith, National Commander,
[redacted]egion
National Headquarters,
Indianapolis, Indiana.

Dear Commander Smith:

OPINION ON SUPPLEMENTARY INFORMATION

The accompanying supplementary information, although not essential for a fair presentation of financial position, results of operations and fund transactions of The American Legion National Headquarters for the year 1977, is submitted as additional data. Our examination was made for the purpose of forming an opinion on the financial statements taken as a whole and included such tests of the accounting records, from which the supplementary information was compiled, and such other auditing procedures as we considered necessary in the circumstances. In our opinion, the accompanying supplementary information is stated fairly in all material respects in relation to the financial statements taken as a whole.

Yours very truly,

Geo. S. Olive & Co.

Certified Public Accountants

PERMISSION TO PUBLISH EXCERPTS FROM THIS REPORT OR REFERENCES THERETO, WITH MENTION OF OUR NAME, IS WITHHELD UNTIL THE FORM AND SUBSTANCE OF SUCH EXCERPTS OR REFERENCES ARE APPROVED BY US.

Exhibit D

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Statement of Operations, Publications Division

	Year Ended December 31			
	1977		1976	
	Amount	Per Cent	Per Cent	Amount
REVENUE:				
Membership dues allocated	$3,983,452	68.15%	61.24%	$ 2,722,782
Nonmember subscriptions	23,316	.40	.60	26,564
Advertising	1,664,198	28.47	34.03	1,512,709
Other	174,318	2.98	4.13	183,812
	5,845,284	100.00	100.00	4,445,867
EXPENSES:				
Manufacturing and distribution . . .	3,543,657	60.62	72.11	3,205,684
Editorial	399,372	6.83	7.62	338,851
Advertising	296,232	5.07	6.32	281,026
Circulation	939,928	16.08	20.07	892,457
Administration	250,487	4.29	6.02	267,498
	5,429,676	92.89	112.14	4,985,516
NET INCOME (LOSS)	$ 415,608	7.11%	(12.14)%	$(539,649)

Exhibit E

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Statement of Operations, Emblem Division

	Year Ended December 31			
	1977		1976	
	Amount	Per Cent	Per Cent	Amount
REVENUE:				
Legion sales	$2,405,995	83.95%	84.13%	$2,547,033
Auxiliary sales	421,013	14.69	14.77	447,127
Sons of The American Legion sales	30,185	1.05	1.03	31,229
Sundry	8,823	.31	.07	2,024
	2,866,016	100.00	100.00	3,027,413
EXPENSES:				
Cost of sales	1,802,402	62.89	62.93	1,905,051
Salaries	286,821	10.01	9.39	284,339
Employee benefits	81,707	2.85	2.72	82,464
Staff travel	13,240	.46	.39	11,663
Commission and committee	7,165	.25	.32	9,704
Operational	29,067	1.01	.89	27,021
Office	121,419	4.24	3.85	116,579
Occupancy and usage	1,476	.05	.07	2,093
Charges from other areas (printing, office supplies, EDP, accounting, legal, etc.)	239,795	8.37	6.72	203,475
	2,583,092	90.13	87.28	2,642,389
NET INCOME	$ 282,924	9.87%	12.72%	$ 385,024

Schedule B-1

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Cash on Deposit and on Hand

	December 31 1977	December 31 1976
CASH ON DEPOSIT:		
American Fletcher National Bank and Trust Company, Indianapolis	$ 356,754	$ 261,428
The Indiana National Bank, Indianapolis	41,874	59,747
Merchants National Bank & Trust Company, Indianapolis	17,511	29,132
Security National Bank, Washington, D. C.	7,500	7,500
Peoples Bank & Trust Company, Indianapolis	50,000	50,000
Continental Bank & Trust Co., Chicago	519,295	733,894
	992,934	1,141,701
REVOLVING FUNDS:		
Checking accounts:		
New York office	3,000	3,000
Washington, D. C. office	18,600	7,500
	21,600	10,500
Cash on hand:		
Indianapolis cashier fund	3,500	3,000
Emblem and cafeteria funds	90	90
	3,590	3,090
Totals--exhibit B	$1,018,124	$1,155,291

Schedule B-2

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Prepaid Expenses, Supplies, Advances and Deposits

	December 31	
	1977	1976
PREPAID EXPENSES AND SUPPLIES:		
Prepaid membership cards and expense	$ 54,061	$ 48,079
Postage and meter rental	4,403	5,841
Cafeteria supplies	1,000	1,000
Office supplies	17,973	16,990
Prepaid insurance	4,150	11,233
Prepaid travel expenses	6,887	3,297
Other prepaid expenses	1,439	4,136
	89,913	90,576
ADVANCES:		
National Commander	2,500	2,500
Other	1,425	1,425
	3,925	3,925
POST OFFICE DEPOSITS:		
Nashville, Tennessee	110,000	65,000
Indianapolis, Indiana	28,212	25,362
	138,212	90,362
Totals--exhibit B	$232,050	$184,863

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Furniture, Fixtures and Equipment And Accumulated Depreciation Year Ended December 31, 1977

	COST			
		Changes During Year		
Location	Balance January 1, 1977	Additions	Reductions	Balance December 31, 1977
National Headquarters	$510,306	$ 74,978	$ 8,753	$576,531
Washington, D. C.	248,212	25,474	20,987	252,699
New York	15,403		370	15,033
	$773,921	$100,452	$30,110(1)	$844,263

(Exhibit B)

(1) Assets sold, traded and abandoned

Schedule B-3

ACCUMULATED DEPRECIATION				Undepreciated Cost at December 31, 1977
Balance January 1, 1977	Changes During Year		Balance December 31, 1977	
	Additions	Reductions		
$358,904	$34,018	$ 7,132	$385,790	$190,741
138,433	24,070	15,539	146,964	105,735
11,942	1,275	339	12,878	2,155
$509,279	$59,363	$23,010(1)	$545,632	$298,631
			(Exhibit B)	(Exhibit B)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Overseas Graves Decoration Trust Fund Investments
At December 31, 1977

	Coupon Rate	Maturity	Par Value
UNITED STATES GOVERNMENT OBLIGATIONS:			
U. S. Treasury bonds:			
	4.000%	Feb 15,1980	$ 55,000
	3.500	Nov 15,1980	9,000
	3.250	May 15,1985	100,000
U. S. Treasury notes:			
	7.125	May 15,1978	15,000
	7.875	May 15,1978	50,000
	7.625	Aug 15,1978	60,000
	7.000	Nov 15,1979	20,000
	7.250	Feb 15,1984	20,000
	7.250	Aug 15,1984	15,000
	7.875	May 15,1986	7,000
	8.000	Aug 15,1986	20,000
TOTAL INVESTMENTS			$371,000
UNINVESTED CASH--schedule B-4(a)			
FUND BALANCE--exhibit B			

Schedule B-4

Unamortized Premiums	Unamortized Discount	Book Value	Market Value
	$2,310	$ 52,690	$ 51,304
		9,000	8,235
$572		100,572	78,200
	45	14,955	15,045
	116	49,884	50,060
	170	59,830	60,084
	112	19,888	19,846
	38	19,962	19,660
	8	14,992	14,730
		7,000	7,015
		20,000	20,236
$572	$2,799	368,773	$344,415
		10,807	
		$379,580	

Schedule B-4(a)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Overseas Graves Decoration Trust Fund
Cash Receipts and Disbursements
Year Ended December 31, 1977

UNINVESTED CASH BALANCE, JANUARY 1, 1977		$ 9,948
RECEIPTS:		
Interest on bonds and notes	$20,943	
Maturity of U. S. Treasury notes	26,000	46,943
		56,891
DISBURSEMENTS:		
Decoration of graves:		
American Overseas Memorial Day Association:		
European Theater	10,254	
Philippine Islands	500	
Purchase of U. S. Treasury notes	35,330	46,084
UNINVESTED CASH BALANCE, DECEMBER 31, 1977--schedule B-4		$10,807

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Paid-Up-For-Life Membership Trust Fund Investments
At December 31, 1977

	Coupon Rate	Maturity
UNITED STATES GOVERNMENT OBLIGATIONS:		
U. S. Treasury notes	8.00%	Feb 15,1983
Federal National Mortgage Association debentures	7.45	Jun 12,1978
Federal National Mortgage Association debentures	7.85	Jun 11,1979
Twelve Federal Land Banks bond	7.45	Oct 20,1981
Federal Home Loan Banks bond	7.05	Aug 25,1981
Federal Home Loan Banks bond	7.375	Feb 25,1985
Federal Home Loan Banks bond	7.60	Aug 25,1987
Total government obligations		
CORPORATE OBLIGATIONS:		
Ford Motor Credit Company promissory demand notes	Market	Revolving
General Electric Credit Corp. promissory demand notes	Market	Revolving
General Telephone Co. of Indiana promissory demand notes	Market	Revolving
Eli Lilly and Company promissory demand notes	Market	Revolving
Public Service Co. of Indiana promissory demand notes	Market	Revolving
Republic of Texas Corp. promissory demand notes	Market	Revolving
Sears, Roebuck & Co. promissory demand notes	Market	Revolving
Total corporate obligations		

	Number of Shares
COMMON STOCKS:	
C. I. T. Financial Corp.	200
Cities Service Co.	100
General Electric Co.	100
Gulf Oil Corp.	300
Indianapolis Power and Light Co.	600
Insurance Co. of America	400
Kraft, Inc.	100
K Mart Corp.	300
Prentice Hall Inc.	300
Public Service Company of Indiana	300
Union Carbide Corp.	100
Xerox Corp.	100
Total common stocks	
TOTAL INVESTMENTS	
UNINVESTED CASH--schedule B-5(a)	
FUND BALANCE--exhibit B	

Schedule B-5

Par Value Or Cost Of Stock	Unamortized Premium	Unamortized Discount	Book Value	Market Value
$ 30,000			$ 30,000	$ 30,506
20,000	$ 75		20,075	20,025
20,000	113		20,113	20,150
20,000	88		20,088	19,925
30,000		$ 9	29,991	29,475
20,000			20,000	19,550
30,000		75	29,925	29,400
170,000	276	84	170,192	169,031
83,000			83,000	83,000
59,000			59,000	59,000
18,000			18,000	18,000
59,000			59,000	59,000
31,000			31,000	31,000
95,000			95,000	95,000
32,000			32,000	32,000
377,000			377,000	377,000
7,743			7,743	6,525
5,800			5,800	5,338
5,281			5,281	4,987
8,048			8,048	8,025
14,229			14,229	15,150
6,675			6,675	6,700
4,680			4,680	4,475
10,351			10,351	8,213
6,476			6,476	7,912
8,123			8,123	8,475
6,011			6,011	4,100
5,876			5,876	4,675
89,293	—	—	89,293	84,575
$636,293	$276	$84	636,485	$630,606
			888	
			$637,373	

Schedule B-5(a)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Paid-Up-For-Life Membership Trust Fund
Cash Receipts and Disbursements
Year Ended December 31, 1977

UNINVESTED CASH BALANCE, JANUARY 1, 1977		$ 5,175
RECEIPTS:		
Paid-Up-For-Life membership dues collected	$301,595	
Interest and dividends	27,669	
Maturities and sales of trust fund investments	282,184	
		611,448
		616,623
DISBURSEMENTS:		
Membership dues withdrawn	53,316	
Purchase of trust fund investments	552,644	
Accrued interest purchased	646	
Cost of administration of fund	7,546	
Trustee fees	1,583	
		615,735
UNINVESTED CASH BALANCE, DECEMBER 31, 1977--schedule B-5		$ 888

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Employees' Retirement Trust Fund
Investments at December 31, 1977

	Description
BONDS:	
U. S. Government obligations:	
U. S. Treasury	Notes
U. S. Treasury	Notes
Farmers Home Administration	Guaranteed loan
Government National Mortgage Association	Pass-through certificate
Government National Mortgage Association	Pass-through certificate
International Bank for Reconstruction and Development	5-year notes
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Small Business Administration	Guaranteed loan
Total U. S. Government obligations	
Corporate:	
Appalachian Power Company	1st mortgage bonds
Arco Pipe Line Company	Notes
Avery Products Corporation	Notes
Chemical New York Corporation	Notes
Dial Finance Company	Senior notes
FMC Corporation	Convertible subordinated debentures.
First Bank System	Notes
First International Bancshares	Notes
Florida Power & Light Company	1st mortgage bonds
Ford Motor Credit Company	Promissory demand notes
Ford Motor Credit Company	Notes
General Telephone & Electronics Corp.	Convertible subordinated debentures.
Eli Lilly and Company	Promissory demand notes
Michigan Bell Telephone Company	Debentures
Narragansett Electric Company	1st mortgage bonds
National Power Corp.	Sinking fund bonds
Northern States Power Company	1st mortgage bonds
Northwestern Bancorporation	Notes
Ohio Valley Gas Corporation	15-year debentures
Pacific Telephone and Telegraph Company	10-year notes
Pennsylvania Power & Light Company	1st mortgage bonds
Prulease	Notes
Public Service Company of Indiana	Notes
Balance forward	

Schedule B-6
Sheet 1

Coupon Rate	Maturity	Par Value Of Bonds	Unamortized Premium	Unamortized Discount	Book Value	Market Value
8.000%	Feb 15,1983	$ 100,000			$ 100,000	$ 101,687
8.000	Aug 15,1986	100,000			100,000	101,562
8.500	Mar 30,1992	92,445	$ 2,516		94,961	94,022
6.500	Nov 15,2002	519,299		$26,145	493,154	452,439
7.500	Apr 15,2007	199,005		10,945	188,060	185,944
8.000	Jul 1,1981	100,000			100,000	100,625
8.625	May 1,1985	27,110	481		27,591	27,313
8.250	Jun 25,1986	90,268	2,054		92,322	91,415
8.750	Jul 1,1986	24,354	1,061		25,415	25,168
8.625	Jul 5,1986	25,541	999		26,540	26,280
8.200	Apr 1,1987	97,025	985		98,010	96,176
8.625	Apr 13,1987	73,830	2,588		76,418	75,680
8.500	Apr 26,1987	27,000	911		27,911	27,636
8.625	Sep 8,1989	53,844	816		54,660	54,248
8.500	Dec 22,1990	78,168	1,872		80,040	79,258
9.500	May 11,1991	103,117	6,869		109,986	108,928
8.625	Jun 22,1991	22,322	338		22,660	22,434
8.750	Apr 5,1997	109,964	5,498		115,462	114,363
		1,843,292	26,988	37,090	1,833,190	1,785,178
7.250	Sep 1,1979	50,000	500		50,500	49,500
8.700	Nov 1,1981	50,000			50,000	50,938
9.125	Dec 15,1981	50,000			50,000	50,500
6.625	Apr 15,1980	50,000		100	49,900	48,875
4.750	May 1,1984	24,000			24,000	19,770
4.250	Jul 15,1992	50,000		14,750	35,250	36,000
6.600	Jan 13,1978	400,000		2,200	397,800	397,800
9.000	Nov 15,1983	50,000	1,688		51,688	51,375
8.875	May 1,1982	25,000		281	24,719	25,906
Market	Revolving	501,000			501,000	501,000
9.750	Oct 1,1981	50,000		75	49,925	52,500
5.000	Dec 15,1992	100,000		10,794	89,206	76,000
Market	Revolving	197,000			197,000	197,000
9.600	Oct 1,2008	100,000	7,750		107,750	111,625
10.500	Aug 1,1980	24,000	317		24,317	25,200
8.250	Dec 31,1991	100,000	1,690		101,690	100,875
8.375	Jan 1,2004	25,000	125		25,125	24,938
6.600	Jan 13,1978	200,000		917	199,083	199,083
4.750	Jan 1,1980	8,000			8,000	6,660
9.100	Oct 15,1984	25,000			25,000	26,000
9.250	Apr 1,2004	25,000		406	24,594	26,187
6.450	Jan 9,1978	150,000			150,000	150,000
Market	Revolving	347,000			347,000	347,000
		2,601,000	12,070	29,523	2,583,547	2,574,732

THE AMERICAN LEGION
NATIONAL HEADQUARTERS
Employees' Retirement Trust Fund
Investments at December 31, 1977

	Description
BONDS (continued):	
Balance brought forward	
South Central Bell Telephone Company	35-year debentures
Southwestern Bell Telephone Company	Debentures
Standard Oil Company of California	Debentures
Toledo Edison Company	1st mortgage bonds
Trailer Train Company	20-year conditional sales contract
Western Acceptance Company	Debentures
Aluminum Company of Canada	Limited sinking fund debentures
Total corporate bonds	
Total bonds	
COMMON STOCKS:	
Allied Maintenance Corporation	
American Hospital Supply Corporation	
Atlantic Richfield Co.	
Citicorp	
Combined Insurance Company of America	
Emerson Electric Company	
General Telephone & Electronics Corporation	
Gulf Oil Corp.	
Halliburton Company	
International Business Machines Corporation	
Eli Lilly and Co.	
Marshall Field & Company	
Mead Corporation	
Motorola	
Northwestern National Life Insurance Company	
Norton Simon	
Pepsico, Inc.	
Phillips Petroleum	
RPM, Inc.	
Revlon, Inc.	
Sears, Roebuck & Co.	
Tenneco Incorporated	
Whirlpool Corp.	
F. W. Woolworth Company	
Total common stocks	
TOTAL INVESTMENTS	
UNINVESTED CASH--schedule B-6(a)	
ACCOUNTS RECEIVABLE FROM PARTICIPATING UNITS	
FUND BALANCE--exhibit B	

Schedule B-6
Sheet 2

Coupon Rate	Maturity	Par Value Of Bonds	Unamortized Premium	Unamortized Discount	Book Value	Market Value
		$2,601,000	$12,070	$29,523	$2,583,547	$2,574,732
9.200	Apr 1,2010	100,000	8,500		108,500	105,625
9.250	Jan 15,2015	100,000	7,850		107,850	107,250
8.250	Jul 15,1981	100,000			100,000	100,250
10.000	Jul 1,1982	25,000			25,000	26,469
4.800	Apr 15,1982	25,000			25,000	22,125
9.500	Dec 15,1979	50,000		125	49,875	51,250
9.500	Mar 1,1995	100,000	13,508		113,508	101,000
		3,101,000	41,928	29,648	3,113,280	3,088,701
		4,944,292	68,916	66,738	4,946,470	4,873,879
	Number Of Shares	Cost Of Stock				
	5,500	202,545			202,545	61,875
	5,000	172,206			172,206	133,125
	4,000	191,979			191,979	205,500
	5,000	162,408			162,408	114,375
	1,900	29,450			29,450	31,825
	5,000	190,956			190,956	168,125
	8,000	263,478			263,478	249,000
	7,500	203,478			203,478	200,625
	2,700	164,902			164,902	175,838
	900	61,953			61,953	246,150
	3,500	183,940			183,940	132,563
	7,000	213,473			213,473	229,250
	6,800	151,115			151,115	146,200
	3,300	116,275			116,275	120,863
	7,500	150,482			150,482	175,311
	11,153	213,089			213,089	223,060
	4,500	83,413			83,413	126,000
	4,000	115,960			115,960	122,500
	11,812	70,175			70,175	115,167
	2,900	114,071			114,071	127,963
	6,000	205,604			205,604	168,000
	3,800	125,610			125,610	116,850
	5,000	134,165			134,165	111,875
	6,000	184,412			184,412	113,250
		3,705,139			3,705,139	3,615,290
		$8,649,431	$68,916	$66,738	8,651,609	$8,489,169
					26,860	
					74,586	
					$8,753,055	

Schedule B-6(a)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Employees' Retirement Trust Fund
Cash Receipts and Disbursements
Year Ended December 31, 1977

UNINVESTED CASH BALANCE, JANUARY 1, 1977			$ 24,806
RECEIPTS:			
Contributions received from participants:			
Contributions assessed--schedule C-4	$886,463		
Deduct: Contributions recorded as receivable	72,977		
	813,486		
Add: Collections on accounts receivable	60,211	$ 873,697	
Earnings received on investments--dividends, interest, and net gains on sale of investments		544,347	
Securities sold, matured, or repaid--at cost		9,858,647	11,276,691
			11,301,497
DISBURSEMENTS:			
Benefits paid--schedule C-4		464,672	
Withdrawal from plan		31,041	
Expenses		22,019	
Purchases of investments--at cost		10,756,905	11,274,637
UNINVESTED CASH BALANCE, DECEMBER 31, 1977--schedule B-6			$ 26,860

Schedule C-1

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Veterans Affairs and Rehabilitation Fund
Year Ended December 31, 1977

FUND BALANCE, JANUARY 1, 1977				$ 191,538
RECEIPTS:				
The American Legion dues allocated		$663,455		
American Legion Endowment Fund Corporation		472,500		
American Legion Auxiliary contribution		12,500		
Other contributions		10		
			$1,148,465	
EXPENDITURES:				
Payroll		674,738		
Employee benefits		192,259		
Travel:				
Staff	$47,917			
Commission meetings	64,638			
National cemetery committee	7,321			
		119,876		
Telephone		9,535		
Postage and express		22,668		
Stationery, printing and supplies		53,978		
Building maintenance		108,604		
Outside services and fees		4,600		
Accounting services		3,600		
National convention expense		6,368		
Internal affairs		60,220		
Charge for stenographic services		111,990		
Other operational expenses		1,542		
			1,369,978	
EXCESS OF EXPENDITURES OVER RECEIPTS				(221,513)
FUND BALANCE (DEFICIT), DECEMBER 31, 1977-- BEFORE ALLOCATION				(29,975)
ALLOCATION PER NATIONAL FINANCE COMMISSION RESOLUTION				600,000
FUND BALANCE, DECEMBER 31, 1977--exhibit C				$ 570,025

Schedule C-2

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Children and Youth Fund
Year Ended December 31, 1977

FUND BALANCE, JANUARY 1, 1977				$155,152
RECEIPTS:				
American Legion Endowment Fund Corporation		$202,500		
American Legion Auxiliary contribution		20,000		
Eight and Forty contribution		2,250	$224,750	
EXPENDITURES:				
Payroll		90,695		
Employee benefits		25,875		
Travel:				
Staff	$ 5,079			
Commission meetings	17,756			
		22,835		
Telephone		2,212		
Postage and express		4,766		
Stationery, printing and supplies		11,367		
Outside services and fees		519		
Building maintenance		13,802		
Temporary financial assistance		28,727		
Children and Youth conference		5,780		
Accounting services		1,800		
National convention expense		2,363		
Other operational expenses		180	210,921	
EXCESS OF RECEIPTS OVER EXPENDITURES				13,829
FUND BALANCE, DECEMBER 31, 1977--exhibit C				$168,981

Schedule C-3

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Other Current Restricted Funds
Year Ended December 31, 1977

	Fund Balance January 1, 1977	Changes During Year		Fund Balance December 31, 1977
		Additions	Deductions	
Oratorical contest prizes	$49,670	$44,000	$38,023	$55,647
Pershing Hall Memorial Trust--schedule C-3(a).	3,692	7,385	7,385	3,692
General relief fund . . .	3,056	102	1,000	2,158
T. E. Whelan scholarship.	2,180	1,273		3,453
Military chess tournament	7,500	7,500	7,500	7,500
Totals	$66,098	$60,260	$53,908	$72,450

(Exhibit C)

Schedule C-3(a)

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Pershing Hall Memorial Trust Fund
Cash Receipts and Disbursements
Year Ended December 31, 1977

FUND BALANCE, JANUARY 1, 1977	$ 3,692
ADD:	
Interest received on U. S. Government securities held by U. S. Treasury Department	7,385
	11,077
DEDUCT:	
Expenditures for maintenance of Pershing Hall in Paris, France	7,385
FUND BALANCE, DECEMBER 31, 1977--schedule C-3	$ 3,692

THE AMERICAN LEGION
NATIONAL HEADQUARTERS

Analysis of Employees' Retirement Trust Fund
Year Ended December 31, 1977

	Fund Balance January 1, 1977	Additions	
		Assessed Contributions	Net Earnings
The American Legion:			
National Headquarters	$5,397,260	$601,398	$360,148
Department of Alabama	34,206	7,249	2,293
Department of California:			
Administration	185,931	11,559	12,463
Rehabilitation	248,356	16,780	17,105
Los Angeles County Council:			
Administration	124,399	695	7,709
Rehabilitation	214,205	684	14,530
Department of District of Columbia	30,483	3,037	2,043
Department of Maryland	67,936	5,349	4,554
Department of Massachusetts	214,841	5,839	14,470
Department of Mississippi	.....	51,383	
Department of Missouri	8,825	12,407	592
Department of Montana	2,594		174
Department of New Jersey	50,085		3,358
Department of New Mexico	31,458		518
Department of New York:			
Administration	64,230	20,539	4,305
Rehabilitation	186,242	20,715	12,485
Erie County, New York	16,795	2,242	1,125
Department of North Carolina	43,677	6,327	2,928
Department of North Dakota	122,349	3,600	8,237
Department of Oklahoma	11,685	13,886	783
Department of Tennessee	45,627	13,518	3,058
Department of Texas	203,411	20,947	13,634
Department of West Virginia	52,859	9,228	3,542
American Legion Auxiliary:			
National Headquarters	264,480	35,952	17,728
Department of Massachusetts	24,498		1,573
Department of New York	56,506	3,016	3,787
Department of Texas	31,493	6,774	2,111
Forty and Eight, National Headquarters	105,546	13,339	7,075
Totals--exhibit C	$7,839,977	$886,463	$522,328
Benefits paid			
Withdrawal of department from plan			

Schedule C-4

Reductions Benefits Paid	Fund Balance December 31, 1977
$338,130	$6,020,676
	43,748
9,118	200,835
26,262	255,979
2,566	130,237
10,933	218,486
	35,563
	77,839
6,775	228,375
	51,383
	21,824
1,849	919
2,439	51,004
935	.....
31,041(1)	
6,316	82,758
15,098	204,344
	20,162
2,004	50,928
	134,186
	26,354
	62,203
10,667	227,325
	65,629
20,781	297,379
3,975	22,096
4,042	59,267
	40,378
2,782	123,178
$495,713	$8,753,055
$464,672	
31,041(1)	
$495,713	

AMERICAN LEGION AUXILIARY

Mrs. ALVIN MOLTZEN (Vi), *National President*

One year ago, I accepted the greatest challenge of my life, that of serving as your National President. As I began, I repeated the words that have often inspired me: "No hills too steep, no mountains too tall, with hope and faith, you can conquer them all."

This has become a dream fulfilled as all the National Officers, the National Chairmen, Department Presidents and Unit members throughout this great Nation of ours have helped to make this an outstanding year "For love of God and Country."

We began our work of service immediately after the installation with the National Executive Committee in session and with the presentation of my slogan for the year, "For Love of God and Country." It was my pleasure to host a luncheon for the Past National Presidents who pledged their willing support and confidence in the leadership for the coming year. I was also supported during those first few days by all members of my family, my many friends and by all the Legionnaires and Auxiliary members present at the convention.

The first major event of my administration was the 50th Presidents and Secretaries Conference in Indianapolis. A special reception was held at National Headquarters. The National Chairmen presented their programs for the year with hope and enthusiasm, evidencing a great deal of planning. On that occasion as well, I took the opportunity to introduce my National President's special fund raising events for the Jerry Lewis Labor Day Telethon in support of the Muscular Dystrophy Association.

I was overwhelmed knowing that at the close of our conference approximately 40 officers, Past National Presidents, Chairmen and friends joined me on a flight enroute to Bismarck, North Dakota, for my Homecoming celebration, with a weekend filled with activities.

Enroute we were hosted with coffee and refreshments at the Minneapolis Airport by the Department of Minnesota as we did have a considerable layover.

Arriving at Bismarck Airport, a large banner reading "Welcome Home, Vi," the band, many friends and family were present to welcome their National President and the many out-of-state friends. Unfortunately, in a state known as a dry state, the rains came. In spite of the rains, I was pleased to host our representatives from 36 states and many home folks at a breakfast in our home, and certainly my Unit did everything possible to entertain everyone.

We did have to cancel many activities due to the weather; however, the entire Department of North Dakota is to be complimented on a grand Homecoming for me, which also included a reception at the Governor's Mansion. We were so grateful to everyone who made the effort to come to North Dakota to pay their respects to their National President.

As this year concludes, I am most pleased to report that the planning and work of the National Chairmen, their Committees and the National Officers has paid off for our organization. I truly feel that this administrative year has been one of spectacular achievement. With the help of every member we have succeeded in our traditional programs and chartered new courses in many areas.

In the area of Americanism, we have continued to promote patriotic observances, voter registration, Americanism study and, of course, respect for our flag. Nearly 24,000 American flags were presented by almost 2,000 Units across the country. I represented you in the area of Americanism when I accepted the honor of serving as one of 20 jurors selected for the judging of awards at the Freedoms Foundation at Valley Forge. Our organization produced a special public service spot for radio and television to promote respect for the flag. The spot was run by stations across the nation on Flag Day and Independence Day. The slogan, below an eagle and an American flag read, "It's more than a piece of cloth!"

Our Auxiliary Emergency Fund raised more than $20,000 to aid needy members of the organization this year. While this is the largest amount of money raised since the program began, the program also experienced more requests than ever before.

One of the biggest programs has always been our efforts in behalf of Children and Youth. This year, in cooperation with The American Legion, we have stressed the problems of alcohol and youth, immunization and child abuse and neglect. In October I was privileged to attend the first Area Conference on Children and Youth in Midland, Michigan, (Area D), being the featured speaker at the banquet. There I was able to witness the interest and enthusiasm our members have for the Children and Youth programs. This year, more than $600,000 was given in direct aid to needy families and more than $1½ million was donated and contributed to various other agencies and organizations with programs helping children. The total amount of aid given exceeded $2,200,000!

We have coordinated many of our efforts with The American Legion this year. In support of Children and Youth, we donated nearly $25,000 to The American Legion Child Welfare Foundation. This enabled them to contribute a record $69,000 in grants to charitable organizations aiding the children of America.

Music has been featured in our programs this year and a vocal contest will be held at our National Convention, the winners of which will be featured at one of our convention sessions.

We continued to build for the future through Leadership training, this year recruiting more members for Leadership courses which featured our new Leadership Recipe File.

As always, our Community Service Program represented a variety of projects which met special needs in the communities of our many Units. Nationally, we concentrated on support of the President's Committee on Employment of the Handicapped, the National Safety Council's Defensive Driving Program and, of course, my own project in support of Muscular Dystrophy. I was honored to attend the annual meeting of the President's Committee on Employment of the Handicapped in May. There I had the opportunity to meet Mr. James D. Jeffers of Springfield, Illinois, who had been selected as Handicapped American of the Year. Earlier in the year, I attended the annual meeting of the National Safety Council in Chicago to coordinate our efforts with that organization.

Your response has been far beyond my expectations in your contributions of funds for the Muscular Dystrophy Association—funds which are used to send children to summer camps, for direct patient care, and of course, for medical research into the causes of this dread neuromuscular disease. As we go to press, we have raised in excess of $200,000. On September 4, from 12:30–1:15 p.m. PDST, I will present a facsimile check during the Jerry Lewis Labor Day Telethon which will represent the total amount raised for the project during my year as your President. This will be an opportunity to show the nation that the American Legion Auxiliary is an organization of service, not self!

Our Constitution and Bylaws Committee, strengthening our organization through founding principles, featured a "Do You Know?" contest in the issues of NATIONAL NEWS.

Our efforts in support of youth continued with more than 1,600 scholarships totalling nearly $400,000 being given to young people in pursuit of higher education. Our Juniors were active this year, as our Junior membership jumped to more than 101,000. These young Auxiliary members spent more than 130 thousand hours in volunteer work in the name of the organization and supported my special project for the year by raising more than $20,000 of the total.

Our Girls State sessions proved to be very successful as more girls took advantage of this citizenship training program. I was honored to present the inaugural greetings on behalf of the organization at Girls Nation in Washington this July, and I visited the Buckeye Girls State in Ohio and addressed the 1,285 participants.

In a related area, I was invited to America's Junior Miss Pageant in Mobile, Alabama this spring to talk about the possibility of promoting that program at our Girls State sessions. This proved to be successful, and representatives from the Junior Miss Program appeared at many of our Girls State sessions, opening the door for more than $90,000 in scholarships.

Foreign Relations is another important program which received emphasis this year as more than $40,000 was raised for CARE to support self-projects in Peru. You have passed the hat for classrooms in Peru and you have exceeded prior contributions which have enabled the Peruvians to build more than 40 classrooms where approximately 30,000 children will have an opportunity to receive an education. I was particularly impressed by the result of this program during my visit to that country this spring.

I am particularly pleased with the achievement in Membership as more than half of our Departments have reached goal at this time and we have reached 98.58% of our goal. This most vital and ongoing program of our organization featured the holding of several Membership Marathons and special Membership Seminars conducted by our Membership Chairman at each Area Conference. One of the target dates of membership saluted my birthday, January 23. I thank each of you for this special birthday present. New Units chartered this year numbered 49.

National Security was of particular concern to us all this year as were efforts in behalf of legislation backed by The American Legion. It was in these two programs that I faced my stiffest challenges and all of the members rallied to support our efforts in opposition to the ratification of the Panama Canal treaty and our fight against the limiting of the Veterans Preference in Civil Service.

At our National Executive Commitee Meeting in February, we received an in-depth briefing at the Pentagon on the Defense Budget. Also during our stay in Washington, we had a briefing at the State Department, after which we were entertained at a special reception held in our honor by Mrs. Cyrus Vance, wife of the Secretary of State. Also during the Forum, we arranged for all our delegates to attend a special day on Capitol Hill, where they visited with Congressional Representatives and Senators.

Our concern for the veteran and his family has been a hallmark of our organization since its inception and my year is no exception. This year, more than 62,000 volunteers spent more than 2,850,000 hours in service to our nation's veterans. During my visits this year, I visited many veterans in hospitals and other care facilities and saw first-hand what a wonderful job we are doing for these men and women who have sacrificed for our country.

A new feature of our Poppy program this year, which program supports the work of our volunteers, was the establishment of a "Miss Poppy" contest, the winner of which will be featured at our National Convention.

In addition to our traditional programs, we have embarked upon a new project—the establishment of an Energy Conservation Program. "Wake Up America, Your Lights Are Going Out!" is the slogan of the program. This new committee has worked very closely with The American Legion to promote our involvement in conserving energy, keeping in mind that if we came to depend entirely on foreign fuel, our National Security could be placed in grave danger.

Another "new" item this year is the inauguration of a newsletter to Unit Presidents and other Auxiliary leaders. This bi-monthly publication, called Pacesetter, has met with great success and seems to fill a communications need felt by our Units by providing information not found in National News.

In addition to the many accomplishments of the organization this year, I will remember several events as your National President with particular fondness.

Although my feet hurt almost every time I think about it, my travels, which carried me to 51 Departments, the Far East, Mexico, Peru and Canada, will always be viewed as an achievement in my own memories. I cannot thank everyone enough for all the gifts and courtesies extended during those visits. I will always remember the many parades, banquets, special songs written for the occasions, and the personal touch of "Sentimental Journey." I know it seems impossible, but, believe it or not, I feel that I have traveled a distance of more than twice around the world this year.

A thrill of my year as National President was being in Taiwan for the chartering of a new Unit with 18 members. I counted it as a special honor to represent you in placing wreaths at the many cemeteries and monuments both here and abroad. My special appreciation goes to the Department of Defense for their invaluable planning of my visits and briefings at various military installations.

My hope of visiting Europe was not realized and the May itinerary, which had been planned for months, had to be changed. Due to the sharp devaluation of the dollar which meant a greatly increased cost of the trip itself, the Finance Committee declined to approve this trip.

I will remember the opportunities I had to represent you in the home of the President of the United States. I was extremely proud to be able to present the first 1978 veteran-made poppy to President Carter in May and was equally proud to be invited by First Lady Rosalynn Carter to attend a reception for the commemoration of a postage stamp honoring Dr. George Papanicolou, the man responsible for the Pap test.

In conclusion, I want to thank all of the National Officers, Chairmen, Committee Members and others in our leadership for the tremendous support they provided this year, and to thank the Past National Presidents for their advice and counsel. A particular thanks should be offered to the men of The American Legion and to the National Commander, Robert Charles Smith. It was an honor and a pleasure to work with him this year. The cooperation of the Headquarters Staff in Indianapolis and Washington was greatly appreciated this year. The encouragement and support of my husband and immediate family meant much to me as they gave me their wholehearted support to relieve me of my home responsibilities this year.

Earlier this year, I shared with some of our members my idea of the formula for a successful year. I said that we needed the involvement and enthusiasm of every member, that we need to be responsive to the needs of the veterans and their families, to the needs of the young and old afflicted with handicaps and illness, and to the strengthening of the democratic spirit and ideals of liberty and justice. This has been such a year!

Love is our energy; love is our motivation and love will be, and has been, our success story as we served together for Love of God and Country.

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96th Congress, 1st Session - - - - - - - House Document No. 96-43

DISABLED AMERICAN VETERANS
57TH NATIONAL CONVENTION

COMMUNICATION

FROM

THE NATIONAL ADJUTANT,
DISABLED AMERICAN VETERANS

TRANSMITTING

THE REPORT OF THE PROCEEDINGS OF THE ORGANIZATION'S 57th NATIONAL CONVENTION, INCLUDING A REPORT OF RECEIPTS AND EXPENDITURES AS OF DECEMBER 31, 1977, PURSUANT TO 44 U.S.C. 1332 AND SECTION 3 OF PUBLIC LAW 88-504

JANUARY 24, 1979.—Referred to the Committee on Veterans' Affairs and ordered to be printed, with illustrations

U.S. GOVERNMENT PRINTING OFFICE
35-359 O WASHINGTON : 1979

Section 1332, Title 44, United States Code

NATIONAL ENCAMPMENT OF VETERANS' ORGANIZATIONS; PROCEEDINGS PRINTED ANNUALLY FOR CONGRESS

The proceedings of the national encampments of the United Spanish War Veterans, the Veterans of Foreign Wars of the United States, the American Legion, the Military Order of the Purple Heart, the Veterans of the World War I of the United States, Inc., the Disabled American Veterans, and the AMVETS (American Veterans of World War II) respectively, shall be printed annually, with accompanying illustrations, as separate House documents of the session of the Congress to which they may be submitted. (Public Law 90-260, October 22, 1968, 82 Stat. 1270.)

CONTENTS

Page

Opening session, Sunday, August 13, 1978:
- Call to order, National Commander Oliver E. Meadows 1
- Call to Convention 1
- Address, Senator Alan Cranston 3
- Address, Max Cleland 11
- Welcome 16
- Introduction of national officers and national executive committee 17
- Report of National Commander 17
- Report of National Auxiliary Commander 24
- Presentation of Outstanding Disabled Veteran of the Year 30
- Presentation of George H. Seal Memorial Award 32
- Reading of convention committee advisers 34
- Recess 35

First business session, Monday, August 14, 1978:
- Call to order, National Commander Oliver E. Meadows 35
- Greetings from the Military Order of the Purple Heart 36
- Adopt rules 37
- Adopt statement of policy 41
- Partial report of credentials committee 42
- Report on legislation 43
- Report of National Service Director 58
- Reading of committee assignments 94
- Recess 98

Second business session, Monday, August 14, 1978:
- Call to order, Senior Vice-Commander Billy O. Hightower 99
- Report of finance committee 99
- Presentation of employment awards 108
- Presentation of membership awards 111
- Further presentations 116
- First Report of bylaws and constitution committee 120
- Recess 123

Third business session, Tuesday, August 15, 1978:
- Call to order, National Commander Oliver E. Meadows 124
- Report of national security committee 124
- Second partial report of credentials committee 126
- Report of membership and volunteer services committee 126
- Report of finance and dues committee 127
- Report of general resolutions committee 135
- Report of employment committee 139
- Report of DAV Service Foundation 149
- Report of veterans rights committee 156
- Second report of bylaws and constitution committee 171
- Report of time and place committee 176
- Report of medical care services committee 181
- Report of legislation committee 187
- Discussion on Puerto Rico matter 194
- Introduction of National Order of Trench Rats 195
- Presentations 197
- Recess 198

Closing business session, Thursday, August 17, 1978:
- Call to order, National Commander Oliver E. Meadows 198
- Presentation of National Order of Trench Rats 199
- Introduction of National Commander of Legion of Valor 202
- Introduction of president of Commanders and Adjutants Association 205
- Introductions and presentations 205
- Final credentials report 207
- Report of committee on nominations of national officers 207
- Nomination and election of national officers 211
- Presentations 292
- Adjournment 298

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LETTER OF TRANSMITTAL

Disabled American Veterans,
October 25, 1978.

Hon. Thomas P. O'Neill,
Speaker of the House of Representatives,
House Office Building, Washington, D.C.

Dear Mr. Speaker: As business manager of the Disabled American Veterans, and as secretary of its National Convention, I hereby certify as to the authenticity of the reports and the proceedings of our National Convention, held in San Francisco, California, August 13–17, 1978, and submit them to you through the office of this organization located in Washington, D.C., pursuant to the provisions of Public Law 186 of the 72nd Congress, as amended, to be printed as a House document in accordance with the authorization of section 1332 of title 44, United States Code.

The enclosed National Convention proceedings include an independent audit report of all receipts and expenditures as of December 31, 1977, as required by the provisions of section 3 of Public Law 88–504, approved August 30, 1964.

Respectfully,

Denvel D. Adams,
National Adjutant.

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NATIONAL OFFICERS

1978–79

National Commander

Billy O. Hightower, 2905 Formay Avenue
Grand Junction, Colo. 81501

Senior Vice Commander

Paul L. Thompson, 2620 Cylburn Avenue
Baltimore, Md. 21215

First Junior Vice Commander

Stan Pealer, Route 3, Box 220
Holts Summit, Mo. 65043

Second Junior Vice Commander

Sherman E. Roodzant, 2707 N. Olive Lane
Santa Ana, Calif. 92706

Third Junior Vice Commander

Edward G. Galian, 370 Lexington Avenue
New York, N.Y. 10017

Fourth Junior Vice Commander

Odell W. Vaughn, 455 64th Avenue
St. Petersburg Beach, Fla. 33706

National Judge Advocate

Boniface R. Maile, 3025 Cadillac Tower
Detroit, Mich. 48226

National Chaplain

Rev. Thomas Meersman, 1327 East 200 South
Salt Lake City, Utah 84102

Past National Commander

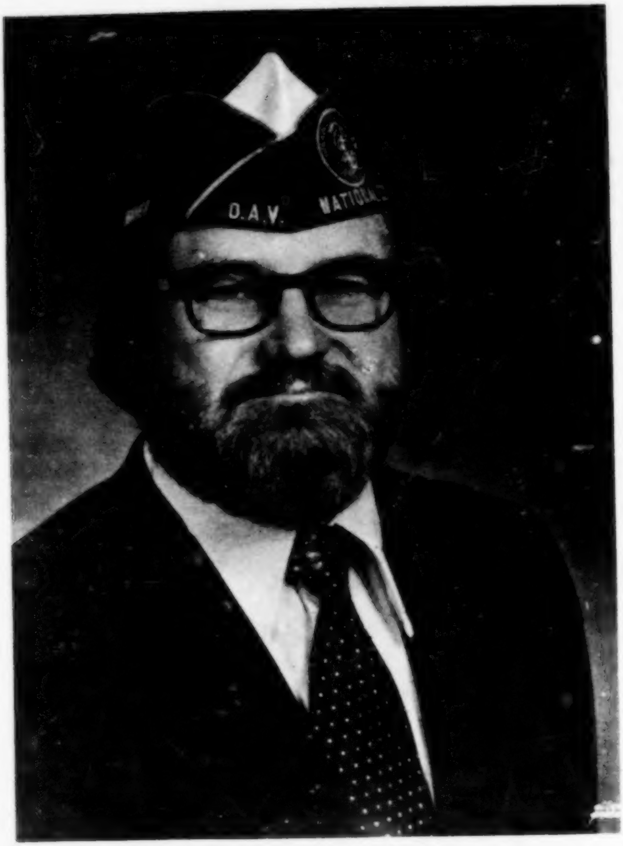
Oliver E. Meadows, Route 1, Box 173
Godley, Tex. 76044

National Executive Committee

First district: Walter F. Morgan, 31 Leslie Road, Winchester, Mass. 01890.
Second district: R. J. Aloisio, 450 Main Street, Suite 126, Hartford, Conn. 06103.
Third district: Metro Ostash, 805 Norfolk Road, Rydal, Penn. 19046.
Fourth district: Ralph L. Hartman, Route 4, Box 268, Keyser, W.V. 26726.
Fifth district: Jimmy D. Patrick, Route 2, Box 229–A, Hamlet, N.C. 28345.
Sixth district: Wesley L. Reeves, 246 Rowland Avenue, Jackson, Miss. 39209.
Seventh district: Joseph V. Racco, 4974 Clearwater Drive, North Canton, Ohio 44720
Eighth district: James R. Friesema, 19985 Woodmont Road, Harplr Woods, Mich. 48225.
Ninth district: Benny Daniels, Brice Route, Lebanon, Missouri 65536.
Tenth district: Bernard A. Wagner, Box 192, Sanborn, N.D. 58480.
Eleventh district: Samuel M. Vigil, Jr., 750 S. Utica Street, Denver, Colo. 80219.
Twelfth district: Fred A. Metz, P.O. Box 4102, Glendale, Calif. 91202.
Thirteenth district: Doris Marx, 619 Avenue H, Snohomish, Wash. 98290.
Fourteenth district: Albert E. King, P.O. Box 3384, Batesville, Ark. 72501.

National Finance Committee

Walter F. Morgan, Chairman, 31 Leslie Road, Winchester, Mass. 01890.
Billy O. Hightower, 2905 Formay Avenue, Grand Junction, Colo. 81501.
Metro Ostash, 805 Norfolk Road, Rydal, Penn. 19046.
Bernard A. Wagner, Box 192, Sanborn, N.D. 58480.
Albert E. King, P.O. Box 3384, Batesville, Ark. 72501.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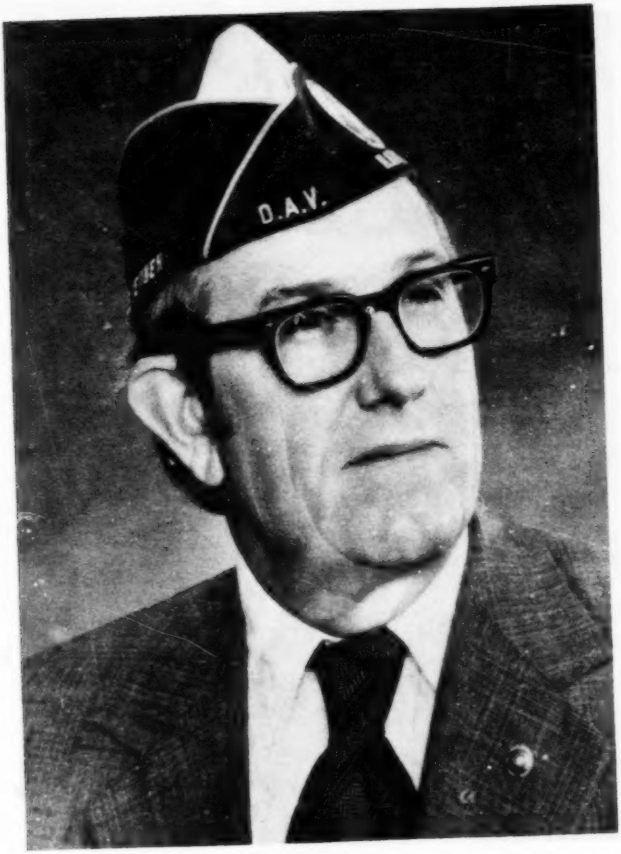
NATIONAL

BILLY O. HIGHTOWER
NATIONAL COMMANDER 1978–79



OLIVER E. MEADOWS
NATIONAL COMMANDER 1977–78

NATIONAL OFFICERS

1977–78

National Commander

Oliver E. Meadows, Route 1, Box 173
Godley, Tex. 76044

Senior Vice Commander

Billy O. Hightower, 2905 Formay Avenue
Grand Junction, Colo. 81501

First Junior Vice Commander

Thomas L. Tomlinson, 22019 Erben
St. Clair Shores, Mich. 48081

Second Junior Vice Commander

Paul L. Thompson, 2620 Cylburn Avenue
Baltimore, Md. 21215

Third Junior Vice Commander

Stan Pealer, Route 3, Box 220
Holts Summit, Mo. 65043

Fourth Junior Vice Commander

Sherman E. Roodzant, 2707 N. Olive Lane
Santa Ana, Calif. 92706

National Judge Advocate

Boniface R. Maile, 3025 Cadillac Tower
Detroit, Mich. 48226

National Chaplain

Rev. Carl Bergstrom, 19 Davidson Road
Framingham, Mass. 01701

Past National Commander

Frank J. Randazzo, 2549 Inglewood Street
East Meadow, N.Y. 11554

National Executive Committee

First district: Walter F. Morgan, 31 Leslie Road, Winchester, Mass. 01890.
Second district: J. Vincent Moynihan, 1002 Midwood Drive, Toms River, N.J. 08753.
Third district: Metro Ostash, 805 Norfolk Road, Reading, Pa. 19606.
Fourth district: Julio Gonzalez-Mendoza, P.O. Box 715, Arroyo, P.R. 00615.
Fifth district: Jimmy D. Patrick, Route 2, Box 229-A, Hamlet, N.C. 28345.
Sixth district: James E. Grimes, 1128 E. Center Street, Kingsport, Tenn. 37660.
Seventh district: Joseph V. Raceo, 4974 Clearwater Drive, North Canton, Ohio 44720.
Eighth district: Albert J. Hanna, 2821 S. 70th Street, Milwaukee, Wis. 53219.
Ninth district: Benny Daniels, R.R. 1, Box 121, Silver Lake, Kans. 66539.
Tenth district: Lew Snowbeck, 5630 21st Avenue South, Minneapolis, Minn. 55417.
Eleventh district: Samuel M. Vigil, Jr., 705 S. Utica Street, Denver, Colo. 80219.
Twelfth district: George E. Egel, 6535 W. Mission Lane, Glendale, Ariz. 85302.
Thirteenth district: Doris Marx, 619 Avenue H, Snohomish, Wash. 98290.
Fourteenth district: Paul G. Freeman, 412 E. Broadway, Broken Arrow, Okla. 74012.

National Finance Committee

Paul G. Freeman, Chairman, 412 E. Broadway, Broken Arrow, Okla. 74012.
Oliver E. Me[illegible], Route 1, Box 173, [illegible], Tex. [illegible]
Lew Snowbeck, 5630 21st Avenue South, Minneapolis, Minn. 55417.
Walter F. Morgan, 31 Leslie Road, Winchester, Mass. 01890.
Metro Ostash, 805 Norfolk Road, Reading, Pa. 19606.

PAST NATIONAL COMMANDERS

1921–22: Robert S. Marx, Cincinnati, Ohio (deceased 1960).
1922–23: C. Hamilton Cook, Buffalo, N.Y. (deceased 1935).
1923–24: James A. McFarland, Dalton, Ga. (deceased 1942).
1924–25: Frank J. Irwin, New York, N.Y. (deceased 1942).
1925–26: John W. Mahan, Bozeman, Mont. (deceased 1947).
1926–27: John V. Clinnin, Chicago, Ill. (deceased 1955).
1927–28: William E. Tate, Atlanta, Ga. (deceased 1949).
1928–29: Millard W. Rice, Minneapolis, Minn.
1929–30: William J. Murphy, Santa Ana, Calif. (deceased 1931).
1930–31: H. H. Weimer, Chicago, Ill. (deceased 1955).
1931–32: E. Claude Babcock, Washington, D.C. (deceased 1958).
1932–33: William Conley, Los Angeles, Calif. (deceased 1941).
1933–34: Joe W. McQueen, Kansas City, Mo. (deceased 1969).
1934–35: Volney P. Mooney, Jr., Los Angeles, Calif. (deceased 1945).
1935–36: Marvin A. Harlan, El Paso, Tex. (deceased 1970).
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1956–57: Joseph F. Burke, Bayonne, N.J. (deceased 1970).
1957–58: Paul E. Frederick, Jr., Cincinnati, Ohio.
1958–59: David B. Williams, Boston, Mass.
1959–60: Bill H. Fribley, Crestline, Kans.
1960–61: William O. Cooper, Dallas, Tex.
1961–62: Francis R. Buono, Whitestone, L.I., N.Y. (deceased 1977).
1962–63: Peter L. Dye, Denver, Colo.
1963–64: Douglas H. McGarrity, Allen Park, Mich.
1964–65: William O. Dwyer, San Diego, Calif.
1965–66: Claude L. Callegary, Baltimore, Md.
1966–67: John W. Unger, Sr., Danville, Ill. (deceased 1970).
1967–68: Francis J. Beaton, Fargo, N.D. (deceased 1969).
1968–69: Wayne L. Sheirbon, Seattle, Wash.
1969–70: Raymond P. Neal, Daly City, Calif.
1970–71: Cecil W. Stevenson, Jonesboro, Ark.
1971–72: Edward T. Conroy, Bowie, Md.
1972–73: Jack O. Hicks, LaRue, Ohio.
1973–74: John T. Soave, Detroit, Mich.
1974–75: Walter T. Gregory, Jamaica Plain, Mass.
1975–76: Lyle C. Pearson, North Mankato, Minn.
1976–77: Frank J. Rondazzo, East Meadow, N.Y.
1977–78: Oliver E. Meadows, Godley, Tex.

PROCEEDINGS OF THE FIFTY-SEVENTH ANNUAL NATIONAL CONVENTION OF THE DISABLED AMERICAN VETERANS, HELD AT SAN FRANCISCO, CALIF., AUGUST 13–17, 1978

OPENING SESSION

August 13, 1978

The opening session of the 57th National Convention of the Disabled American Veterans convened in the Continental Ballroom of the San Francisco Hilton Hotel, San Francisco, Calif. Sunday, August 13, 1978, and was called to order at 1 p.m. by National Commander Oliver E. Meadows.

[illegible]

[illegible] convention will adopt.

National Commander Meadows. Officer of the day, post the Colors.

[Posting of colors, and singing of National Anthem.]

National Commander Meadows. Our national senior vice-commander, Billy Hightower will lead the Pledge of Allegiance.

[Pledge of Allegiance led by Senior Vice-Commander Billy O. Hightower.]

National Commander Meadows. Our national chaplain, Reverend Carl Bergstrom, will pronounce the invocation.

National Chaplain Carl Bergstrom. Let us pray: Almighty and Everlasting God, we pause at this time to give You thanks that we still live in a country where we can gather together in public assembly, that we may pronounce Your Name and offer blessings on Your behalf.

We give thanks that we are able to gather together and pool our energies and our efforts. May those energies and our efforts help carry us forward to the goal that we seek, that the disabled American veterans, the widows, the orphans may be cared for in a manner that is right without robbing them of their dignity.

May they be granted life even as we would have life for ourselves. May we share it with others. All this we ask in Thy Most Holy Name. Amen.

National Commander MEADOWS. Please be seated. On behalf of the Disabled American Veterans, I wish to express our thanks to the 504th Military Police Battalion of the Presidio Color Guard that is stationed here in San Francisco to serve as our Color Guard. The music was supplied by the 6th U.S. Army Band from the Presidio at San Francisco under the direction of Warrant Officer Tony Cason. We are most appreciative of the contributions of these two groups.

Will the officer of the day please escort our guests, the Senator from California, the chairman of the Senate Veterans Affairs Committee; and the administrator of Veterans Affairs to the podium.

Officer of the Day LEE KIRK. Comrade Commander, with a great deal of pleasure, I introduce to the delegates at this convention the Honorable Max Cleland, administrator of Veterans Affairs, and the Honorable Alan Cranston, U.S. Senator from the great State of California. [Applause.]

National Commander MEADOWS. Ladies and gentlemen, members of the DAV and its Auxiliary: It gives me a great deal of personal pleasure to have the privilege of introducing my long-time friend, Senator Cranston, to you as well as asking your help in welcoming him back to his own State of California. I want to tell you something about Senator Cranston as a person, and I want to tell you something about Senator Cranston's activities in the field that interests us most.

Senator Cranston was elected to the U.S. Senate in 1968, after a long record of public service in California. His popularity as a Senator was proven when the people of California returned him to the Senate in 1972 with a slight margin, with a slight vote margin of one and a half million votes.

At the outbreak of World War II, Senator Cranston was working in the Office of War Information, but he turned down a deferment in order to enlist in the Armed Services as a private. He first served in the infantry. Later he became editor of the publication "Army Talk" and by VJ Day he was discharged as a sergeant.

Senator Cranston was running long before most other people were running, and he is still running. He competed internationally in track as recently as 1972. And if you get up early enough, you can see Senator Cranston still doing his thing around the capital.

He is a noted writer. He has worked for the international news services, several newspapers, as well as authoring several books and plays. Now, that is something about Senator Cranston as a person, but let me talk to you about Senator Cranston as a legislator, a lawmaker, and our friend.

He has served on the Veterans Affairs Committee of the Senate as long as he has been in the Senate and soon after going on that committee he became chairman of the Hospital Subcommittee. And it was in that capacity that I first became acquainted with the effective work of Senator Cranston.

An effort was made eight years ago, six years ago, to greatly curtail the VA Hospital operations. The plan was to cut the hospital operation back to 65,000 beds, and Senator Cranston on the Senate side and Congressmen Teague and Doyle on the House side turned back this threat and through a series of amendments to appropriation bills that went over a period of four years, offered amendments that restored over half a billion dollars to the VA Hospital appropriations budgets and preserved that program in the same state that it is today.

We are deeply indebted to Senator Cranston for the long hard work that he did on just this one issue as chairman of the Hospital Subcommittee. Most recently, we are indebted to him for taking the lead in the current problem relating to veterans' preference.

There is no doubt in my mind that had Senator Cranston, speaking for the leadership of the Senate, speaking for the Senate Veterans Affairs Committee, agreed to the proposed amendments that would weaken or do away with veterans' preference, that would be a fact today.

But the fact is Senator Cranston did not agree. He has exerted his energies and efforts to actually improving and perfecting amendments that will make veterans' preference even stronger for disabled veterans, and we are greatly appreciative of his friendship and support as this battle comes into its final stages. [Applause.]

Senator Cranston's committee has just completed work on our compensation legislation. His committee has cooperated and the Senate has passed our breakthrough legislation on DIC. His committee has passed and the Senate has passed legislation we have long sought dealing with paired extremities and legislation that would reduce dependency payments below the level of 50 percent.

Senator Cranston is a dedicated friend of the veteran and an important ally of the disabled veteran in his important post as head of the Senate Veterans Affairs Committee, and he probably knows more and probably demonstrates more compassion for disabled veterans and otherwise, and is a greater expert in programs relating to the needs and welfare of the disabled than any man in the Senate. [Applause.]

If someone said to me, "You can have one true friend in the Senate, and that is all," the man I would choose would be Senator Cranston. I present him to you. [Standing ovation.]

Senator **ALAN CRANSTON**. I want to thank my good friend Commander Oliver Meadows for that very generous introduction and for the great privilege and opportunity of working with him over the years as we worked so closely in Washington for many years on matters relating to veterans.

I thank you for that warm welcome and for this opportunity to be with you and to talk with you today about mutual interest and problems and opportunities. Oliver is a truly great American, a truly great leader of your wonderful organization, and it was a pleasure, as I came down that center aisle, to see Oliver waiting to greet me and to greet Max Cleland, because you could not be welcomed by a more wonderful person.

Let me also say that it was a great privilege to come down the aisle to join with you and Max Cleland, a long-time friend of mine who is doing such magnificent work as administrator of the Veterans Administration, who is an incredibly marvelous and unique American with vast abilities and deep concerns and compassion and great knowledge to bring to bear on his responsibilities and problems that you share with him and with all of us. I look to Max for magnificent leadership of the VA and to a great public career in our United States.

Let me say also that it was wonderful to be greeted when I came up on the platform by Marjorie Vincent of my own State of California, the National Commander of the DAV Auxiliary, and so many other long-time friends who are here. I am delighted to have a chance to be with you in San Francisco.

I know that yours will be a highly successful gathering because for months your Convention Committee has devoted a great deal of time and energy to make sure that this 1978 Convention is a time you will remember with enthusiasm and happiness and as a place where great plans were made and commenced.

I congratulate each and all of you of the DAV and the DAV itself for its dedication to and persistence in the cause of our nation's veterans. You have worked long and hard and with remarkable success to help make this country aware of its legal and moral obligation to those who gave so much of themselves to protect and defend our liberty.

But the job of easing the burden for America's veterans is a responsibility to be shared at all levels of our society, at all levels. The Congress, the Executive Branch, the states, the cities, the towns, the communities, the private sector, individual citizens, concerned people all share in the task of meeting these responsibilities and fulfilling these opportunities.

All of us must move forward together to provide and to make sure that there is provided fair and compassionate compensation, education, health care, counseling, housing, and jobs for America's veterans. You have been making this effort since 1921, and I note that you now have over 550,000 members, more than half a million, fighting for the rights and benefits veterans need and so richly deserve and have earned.

You served, as did I, with the conviction that we do so in the cause of freedom. Many died and many came away from combat severely disabled. We honor you, and we honor those who are no longer with us for the great sacrifices that protected our democratic way of life.

Those who fought since the beginning of our country have preserved our 200-year-old inheritance of freedom, individuality, equality, and strength. All of us should thank them as we thank you, and all of us should realize how very lucky we are to live in a country where men and women are willing to do battle to secure our right to live in freedom.

A great American statesman once asked: "What do we mean by patriotism in the context of our times?" And he answered his own question this way: "A patriotism that puts country ahead of self; a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime."

These words that are easy to utter, but this is a mighty assignment. It is a mighty assignment that the DAV has met over and over again with strength, with pride, with spirit, with vigor, with intelligence.

I also want to praise the DAV and you of it for its ability to make Washington, and state and county governments as well, listen, take notice, and then to act to meet the needs of disabled veterans. Two years ago the President's budget request to Congress had no cost-of-living increases for disability compensation and DIC benefits.

Your national commander then, Lyle Pearson, asked all DAV and Auxiliary members to write to Congress and to the President, insisting that they stop playing political games with your benefits. He called these benefits bread and butter, doctors and hospitals, and the right to live in dignity. And he was so right.

A determined and angry DAV membership deluged Washington with mail, with telegrams, with phone calls, and personal visits, and the Congress responded, and the cost-of-living increases were added to the budget and enacted into law. This is only one instance of your great impact on important legislation. There are many, many more.

Only this year your national commander Oliver Meadows, mobilized the DAV to call for restoration of a major Administration-proposed cut in the VA medical budget. You wrote letters, and you got in touch with your representatives in the House and Senate, and the Senate and House Veterans Affairs Committees recommended and the Congress agreed in its first concurrent budget resolution that $200 million, $200 million should be added to the President's budget for VA health care services and program. [Applause.]

I was active in that successful fight, along with a great many of you, and so was my counterpart, Chairman Ray Roberts, who did a tremendous job in taking the case to the floor of the House of Representatives in order to provide necessary staffing and construction and in order to maintain the VA's vitally important medical research program, and I think that particular program is one of the great resources of the VA, not only for veterans, but for the nation as well, because things learned in that research can be of great benefit, not only to veterans, but to all Americans and indeed to all people everywhere.

There were other areas that also needed additional funding, and when the dust had finally settled, we had increased the total VA budget by over $2 billion, a $2 billion increase that was badly needed. We are now working with your help to get these budgeted funds actually appropriated.

They have been authorized; now we are asking that we get them actually appropriated, and thus make them available for spending. This won't be an easy task, however. Thus far the House has done great work with your very effective support, and I believe that the Senate conferees on the appropriations bill will sympathetically consider the increases approved by the House.

The Senate Subcommittee chairman, Bill Proxmire, promised me that in a meeting that I arranged with him just a few days ago.

You also have done an outstanding job in presenting your ideas, your programs, your goals, and your criticisms, too, and we welcome them, to our committee. One of your first priorities stressed again this year to both Houses of Congress in your legislative presentation is the "Continued Existence and Independence of Our VA Hospital System."

As you know, I completely supported you in the aim of keeping the VA Hospital system absolutely independent. [Applause.] At the time that the National Academy of Sciences made public its report on health care for American veterans in June of last year, I said I remained fully committed then, because I questioned the independence, to the maintenance of a separate VA medical system that can guarantee quality care for disabled veterans.

I hold that belief just as strongly today. The NAS study generated much controversy, much of it highly unfortunate, but it was, and

I stress this, it was the most comprehensive review ever undertaken of the VA health care program. It was a study that needed to be conducted.

You know and I know that there are problems and deficiency in VA health care. If this report brings about improvement and better medical care for veterans, then the controversy was well worth it. And don't judge the virtue overall of that report by that one recommendation that was not that wise. I think improvement is already well under way.

Max Cleland has played a major part in that. Dr. John Chase, who retired after fine service as the VA's chief medical director, said, "This in-depth evaluation, and the publicity generated, together with the department's intensive self-examination in response, set forces in motion that unquestionably will shape a constructive blueprint for VA health care delivery for many years to come."

I say to you today that we must never allow the quality of care for our veterans to be reduced or to be inferior in any way, and I know you will not permit that. We must constantly strive to make that care second to none. [Applause.]

A second DAV legislative priority was a request that the committee closely examine the adequacy of Chapter 31, vocational rehabilitation subsistence allowance rates, and raise these allowances for disabled veterans attending school. I assure you that we are giving very careful consideration to reform of this program for veterans with service-connected disabilities.

In 1974 our committee urged and in 1976 the Congress, at our committee's initiative mandated the VA to conduct a thorough review of the program for possible legislative and administrative changes. We hope to have this review, which is now overdue, later this summer, and I have been assured that this matter is getting the personal attention of the President of the United States.

A third priority is the periodic enactment of disability compensation and benefits to keep pace with inflation. Our committee is very concerned that rates of service-connected disability compensation and DIC must be adjusted to prevent benefits from being eroded by inflation.

On July 31 we recommended and on August 7th the Senate unanimously passed legislation to provide an appropriate increase. We all know how very important these increases are to help protect the purchasing power of disabled veterans where they have been hit harder than most by continued escalation in the cost of living.

I think you can count on an increase in the vicinity of 7 percent effective October 1. [Applause.]

As many of you know, I introduced an amendment ot the compensation bill which would increase substantially, by an average of 50 percent, the compensation and DIC allowances for dependents. We also are carefully studying the issue of whether dependents' allowances should be extended to the 40 percent service-connected disabled veteran as the House has proposed.

A fourth priority of yours is the presumption of service connection for death for a veteran who had a permanent and total service-connected disability at the time he or she died. (Applause) I share the DAV's concern about the survivors of veterans who were totally disabled from a service-connected cause, but whose deaths are not found to be service connected by the VA.

I believe the Senate Committee amendment deals with this problem in a fair and in an equitable way by providing survivors' benefits related primarily to the length of time the veteran was totally disabled. The full Senate has now agreed. This provision is included in the Senate-passed compensation bill.

Two additional priorities are an increase in the amount of the VA loan guarantee for conventional housing from $17,500 to $25,000 and an increase in the VA specially adapted housing award, the wheelchair home grant, from $25,000 to $30,000. I am in complete agreement with both of those aims.

So is the committee and so is the Senate, which unanimously adopted our legislation on August 7th to make these improvements. You can see we have been having quite a bit of action just in the last few days on important veterans' legislation.

We should do everything in our power to help veterans become homeowners, especially now when both the prices of homes and interest rates have skyrocketed so incredibly.

Let me give you an example of what is happening to the housing costs right here in this beautiful City of San Francisco. According to the Federal Home Loan Bank Board, the average price of all new houses sold here in the month of June was $90,000. For existing homes, not new homes, existing homes, the average sales price in June was $87,800. Those are staggering figures, as your response to them so evidenced.

The bill we just passed also provides for expansion of the VA mobile home program, so Vietnam and other veterans will have a better chance to take advantage of this economical form of housing. And we also have an obligation to help our severely disabled veterans adapt their homes with ramps, extra-wide hallways and special bathroom facilities. These are not luxury items for a severly disabled person. They are necessities so a veteran can live safely and with reasonable comfort in his or her own home.

And finally, you have stated your strong opposition to Administration attempts to eliminate or dilute veterans' preference in federal employment. [Applause.] Even though this doesn't fall within the jurisdiction of the Veterans Affairs Committee, I trust you all know where I stand, and that is right with you. [Applause.]

I fully support the premise underlying the federal government's system of giving veterans preference for Federal Civil Service jobs. [Applause.] I am very concerned that a change like the one proposed would have an adverse effect on the employment of veterans, especially disabled and certain younger veterans whose employment rates, unemployment rates, continue to be so unfortunately high.

We should not diminish the federal government's commitment to help these veterans successfully make the transition from military to civilian life and to find jobs. The Senate Governmental Affairs Committee handling this bill agrees. It has acted to delete from the Civil Service Reform Bill any changes in veterans' preference. [Applause.]

The committee instead directed that a combined Veterans Affairs Committee and Governmental Affairs Committee Task Force look into the matter. That we will do, but as far as I am concerned, if anything comes out of that task force, it will strengthen not weaken certain aspects of veterans' preferences. [Applause.]

After a great deal of discussion with the Administration and with the Governmental Affairs Committee, I am preparing an amendment, which I will introduce next week, to strengthen existing preference laws for disabled veterans. I believe these improvements stand an excellent chance of enactment.

Before I close, let me congratulate you for one more effort you have made. There have been many articles and charges recently that the major veterans organizations do not represent Vietnam Era veterans. From what I have seen and from what I know, this is certainly not true of the DAV, with Vietnam Era veterans comprising 81 percent of your national service officers, 81 percent (applause), 209 out of a total 257—if I wasn't a speaker, I would join your applause. [Laughter]

That 81 percent is 209 out of a total of 257 DAV national service officers, and that is very, very impressive. And many of you who hold either elected leadership positions or staff positions are Vietnam vetans as well. That is great. The guard changes.

We all need to work at keeping in tune, in touch, and in step. There is still a great deal we have to do before this Congress adjourns later this year, things we have to do together. We have five major pieces of legislation now back before the House, passed by the Senate, which have to be resolved in the next two months in conferences and agreements worked out between the House and Senate.

I am confident that with your help, with your hard work, with your advice, we will continue to remove the inequities in the VA system and provide better and better benefits, services, and health care for all America's veterans. I have no greater priority than to help make the VA truly responsive to the needs of veterans with service-connected disabilities. [Applause]

That is a great goal that we totally share. I pledge to you that I will keep strong my efforts to achieve that goal. I look forward to our carrying on this struggle together. Thank you for the opportunity to be with you, to work with you, to fight with you. Together there is much we can accomplish. For that I thank you. [Standing ovation.]

National Commander Meadows. What a marvelous way to begin a convention to be addressed by a friend that knows from whence he speaks. And, Senator, while I am still thinking of your remarks about our efforts with our young people, I would like to ask those that are in the audience and up here that served in Vietnam to stand, please, so the Senator can see them. [Applause.]

Senator Cranston, we wanted you to have a token that would remind you of your visit with us, and we have prepared a little plaque here for you that is most simple in its presentation and most sincere in what it says. The plaque says: "Alan Cranston, for outstanding service in behalf of disabled veterans and their families." [Applause.]

It is offered with a great deal of affection and with the utmost sincerity. Senator Cranston. [Applause.]

Senator Cranston. I thank you very much. I am proud to have that. I am proud to receive it from the DAV, and I am proud to receive it directly from your commander and my friend, Oliver Meadows. He said in the course of his introduction that I am the most knowledgeable person in the United States Senate on veterans affairs.

I don't know if that is true or not, but one thing I do know that is true, Oliver Meadows is the most knowledgeable person on veterans affairs in the House, in the Senate and in the country of the United States. [Applause.]

National Commander **Meadows**. Senator, we love you in Texas, but we don't vote for you in Texas. [Laughter] But, we do have some people here from California that would like to make a presentation here led by our distinguished commander of the Auxiliary, Marjorie Vincent from California. Marjorie. [Applause.]

Auxiliary National Commander **Marjorie Vincent**. Thank you, National Commander Meadows. Yes, we in California love you and vote for you, Mr. Cranston. I would like to ask Mr. and Mrs. Kordell to please step forward.

Mr. **James Kordell**. Honored guests, Senator Cranston, VA Administrator Max Cleland, national officers, department officers, delegates and friends: I have here a proclamation, which I did a little research on our esteemed U.S. Senator Cranston, and I would like to read it to you at this time:

> Whereas, Alan Cranston, while serving in 1942 as chief of the Foreign Language Division of the Office on War Information, declining a government deferment, resigned and enlisted in the Armed Forces and is a veteran of World War II, having faithfully served in the U.S. Army; and
>
> Whereas, Alan Cranston was elected California state comptroller in 1958, he again shattered records in 1962 being reelected by a margin of 1,258,314 votes, the largest ever piled up by any candidate for state office in the United States; and
>
> Whereas, Alan Cranston was elected to the U.S. Senate in 1968 and set another state record by winning reelection in 1974 by 1,460,000 votes, the largest victory margin by any candidate for state-wide contested office in California since the abolition of cross-filing; and
>
> Whereas, Alan Cranston served as a foreign correspondent on the staff of International News Service and United Press International, and while in Germany read the original "Mein Kampf"; returning to the States he was shocked to discover the version being distributed in the United States did not accurately describe the Nazi threat. He wrote the accurate version with anti-Nazi explanatory notes and was sued by Adolf Hitler.

[Laughter and applause.]

> Hitler's agents in the United States sued Alan Cranston, not for telling the truth, but for copyright infringement and won the case in American courts, but not before Alan Cranston sold a half a million copies for 10 cents per copy——

[Laughter and applause.]

> thereby alerting the U.S. of the Nazi dangerous threat; and
>
> Whereas, Alan Cranston continues to serve his country as U.S. Senator and serving as Senator majority whip by acclamation since 1977; he also serves on many committees and subcommittees as chairman, but today he is here as chairman of the Veterans Affairs Committee; and
>
> Whereas, the DAV Frank C. Marpe Chapter 44, West Covina, California, honored as the only veterans organization authorized by the President of the United States is awarding the Disabled American Veteran Certificate of Honor for Distinguished Services in behalf of the disabled veterans.

Mr. **James Kordell**. Making presentation for Chapter 44 by special request will be DAV Auxiliary National Commander Marjorie Vincent and Department of California Auxiliary Commander Vera Davis and past commander of Auxiliary Unit Number 44, West Covina, Marge Kordell, and, I must mention, all Californians.

> Now, Therefore, we, the DAV members of the Frank C. Marpe Chapter Number 44 of the City of West Covina, California, on behalf of all disabled American veterans, do hereby proclaim that for the duration of our 57th Disabled American Veterans' and Auxiliary National Convention as United States Senator Alan Cranston Week, and urge all citizens and veterans organizations to join with the Disabled American Veterans and Auxiliary in commending and honoring United States Senator Alan Cranston for his loyal and meritorious service to this country.

Dated the 13th day of August, 1978, testified Joe Gibbs, adjutant, and presented by Past Commander James Kordell.

[Applause.]

Senator CRANSTON. It isn't often that I think—in fact, this is the first time I have ever received two awards like that at one convention and I deeply, deeply appreciate it. Frank said that they did a great deal of research before deciding to make that award and they certainly did. I think that research even exceeds the bill for research done in the Medical Research Branch of the Veterans Administration. [Laughter.]

I thank Frank and Marjorie and Vera and Marge for presenting me with that certificate of honor and all the members of the Auxiliary. I am deeply grateful. I am particularly glad to receive it from this group who have such an excellent record, the Auxiliary, for selfless volunteer hospital work, community service, child assistance, legislative activities, and just plain devotion to maintaining what is great in our country and making it even greater.

I am proud of the Auxiliary. I know you are, and I am proud therefore to have this award. It makes it that much more significant because your Auxiliary is so very great, and I thank you. [Applause.]

National Auxiliary Commander VINCENT. Mr. Cranston, I have a Certificate of Honor which you have just accepted so graciously, and it is presented in the name and by the authority of the Disabled American Veterans, Frank C. Marpe Chapter Number 44, West Covina, California. This Certificate of Honor is awarded to Alan Cranston, United States Senator, for distinguished service in behalf of disabled veterans.

And, sir, I certainly am proud to present it to you. [Applause.]

Senator CRANSTON. Thank you very much.

National Commander MEADOWS. My fellow delegates to the convention, you can gain some proof here as to how those very large, "margins," were accumulated that have been referred to. You can see that Senator Cranston has all the women and some of the men for him. [Laughter.]

I can think of no more fitting way to begin our convention than to hear from the chairman of the Senate Veterans Affairs Committee and a current and updated report on the activities of the Congress as it relates to our program and to be immediately followed by another very important guest.

Our next speaker is a highly decorated Vietnam veteran, but his service didn't end when he left the Armed Forces. Max Cleland, a triple amputee as a result of a grenade explosion, is the youngest and only Vietnam Era veteran to serve as Administrator of Veterans' Affairs.

Max volunteered for duty in Vietnam and served with the First Air Cavalry Division until he was wounded. After a year in military hospitals, he returned to his home in Georgia and ran for a seat in the Georgia State Senate, which he won.

He wrote much of that state's legislation to assist the veteran and handicapped people in Georgia while he was in office. He later went to work as a staff member for the U.S. Senate Veterans' Affairs Committee and was holding that position when President Carter chose him to head the VA.

That is a summary of the official side of Max Cleland, but I would like to emphasize the personal side. Max Cleland is a seriously disabled veteran. Max Cleland is a life member of the DAV. [Applause.] Max Cleland is a man you can't be around and be depressed. He lives with his disabilities with a great deal of grace, has become a national symbol to those who are disabled and perhaps are depressed and concerned that they cannot cope with their disability.

In my tour as national commander, I have repeatedly had individuals that had little knowledge and little interest in veterans affairs speak to Mr. Cleland because they had seen him on television or in public places and admired the splendid way in which he carries out his duties.

Senator Cranston said that he believed that there was no greater objective to be achieved than to attain true priority for the service-connected in the laws affecting disabled and in the administration of those laws. Max Cleland selected a theme, a philosophy that I think is marvelous when he entered office.

He has this campaign, "May we help you?" So I say to you, Max, that we respond in kind. We look to you as a friend. We look to the agency as an ally. We seek to work with the Veterans' Administration, and we say to you may we help you make a success? We are your friend. We are proud of you as a member of this organization, and we welcome you here. [Standing ovation.]

Mr. MAX CLELAND. The preceding was a paid political announcement. [Laughter.] Ladies and gentlemen, welcome to the Gong Show [laughter], and to Alan Cranston Week. Let me say that I am pleased to be here again as head of the Veterans' Administration. This is my second time.

It is not my second time as a participant in a DAV meeting, and it is not my second time in speaking with many of you about concerns that we have about how the Veterans' Administration and how the government can more appropriately deliver services to those people who have given their best.

So let me just say that in your honoring the two people that have so far been honored, that you honor yourself. And it is quite a heady experience for me to sit here with Senator Cranston in his home state and with Oliver Meadows with his home organization, and address the questions that we have to face.

Let me say that I first met Senator Cranston when I was a witness before his subcommittee. If you can believe it, he was at that time a freshman Senator from California in 1969, and I was just getting out of the VA Hospital system, and I sat there and told my story on how I thought rehabilitation for Vietnam veterans should be improved.

He listened intently, and I think it is indicative of his life and his own personal commitment to those who have given their best for this country that he listened throughout the entire hearing, to all those who came before his subcommittee. I might say he was the only member of the Senate to do so.

And more than ten years ago he endeared himself to me by his interest, by his commitment, by his dedication and by his knowledge of what ought to be done in the VA health care system and what the responsibilities of this society were to the disabled American veteran.

So it is a great honor, Senator, to be here almost ten years later and see this well-deserved, well-earned tribute to you. [Applause.]

Senator Cranston said it very well when he said that Oliver Meadows was tremendously respected and tremendously knowledgeable in the field of veterans affairs. We in the VA know that and have known that for years, and I want you to know that I called upon him many times in the last year as a friend and as head of the Disabled American Veterans to give us in the VA guidance and counsel as to how we can run our programs better and how we can improve our service.

Oliver, you might want to know—you may already know, many of you—was elected chairman of the Veterans' Administration Education and Rehabilitation Advisory Council. I was pleased to appoint him to be a member of the committee. but his leadership and his obvious expertise compelled and attracted the other members to him so they elected him chairman.

And although he goes out as your national commander, I intend for him to stay as head of the Education and Rehabilitation Advisory Council. [Applause.]

Oliver mentioned that the cause of the service-connected disabled veteran was one that I was personally committed to, and I am. I think that it is simply a matter of putting first things first. We in the Veterans' Administration hope to do a better job of doing exactly that. No VA employee, no VA program, no VA building exists except for the sole purpose of serving first America's disabled veterans, and that is our first commitment. [Applause.]

And over the last 18 months, the appointments that I have been privileged to make, I have made it a point to have one basic and fundamental factor present whenever that individual accepted his or her responsibility, and that was a total commitment to not only to the VA and the VA program but a sensitivity, a sensitivity toward those we serve, and especially the disabled veterans of this country.

And the top three people in the Veterans' Administration are service-connected disabled veterans, and you just heard this morning from the new chaplain who is a single-leg amputee, combat chaplain out of Vietnam, who is a skier and golfer, and it is a real pleasure to welcome Corbin Cherry, Reverend Corbin Cherry, to the staff of the Veterans' Administration.

He is going to make an outstanding head of the VA Chaplaincy Service, and we together shared some long and difficult days in the hospital together in Walter Reed. And he knows first-hand the kind of life that you have to live on a hospital ward when you are there, and I want to tell you that I expect great things from this young man because I think that he will lead the Chaplaincy Service and increase its sensitivity toward those who have to be confined in a VA hospital for a period of time.

So, Corbin, it is great to have you as part of the VA team, and I understand that you did well this morning. At least the crowd showed up this afternoon. [Laughter.] I might say also to you that Corbin is a member of the DAV. [Applause.]

One of the real thrills that I have each year when I come to the convention here is to see in the flesh, really, a living inspiration for us all in the form of the man or woman that you all select as the Outstanding Disabled American Veteran of the Year, and the last couple of years have been pretty good ones for triple amputees.

And, let me say that when I read about David Wenzel, this year's selection as Outstanding Disabled American Veteran, I read some quotes from the DAV Magazine about him, and one of the things that he said really struck home with me. If I can just quote, David said, "The whole experience," referring to his injury and his rehabilitation, "made me keenly aware of the fact that no one is really independent. If I had gone through the whole thing alone, it would be very different with me today. I am sure of it. Maybe that is what happened to some of the guys who had a tough time adjusting to life with disabilities. Maybe they had to try to do it all by themselves.

"I had people who cared deeply about what happened to me. My wife and family were with me all the way. and it made all the difference in the world. " And, my friends. that is what the DAV really means to me. I was like Dave. I had friends and family who cared, but I had very special help from some very special people in the DAV, fellow amputees like myself, and that to me made all the difference in the world.

And if I am able to provide any kind of leadership with the VA or able to translate any of the sensitivities and feelings that I have for being a disabled veteran in this country, it is because of the help and work of people in the DAV, particularly the National Amputation Foundation Chapter, DAV Chapter 76 in New York City. [Applause.]

So I became a lifetime member of the Disabled American Veterans as the first veteran organization that I have joined, and I hope to continue to be a lifelong and active participant, no matter what my professional or political role may be.

And, since you brought that up [laughter], let me say one of the real pleasures of being in Washington over the last 18 months has been to see a man come from my state and literally, over a period of the last couple of years, become a household word. And I want you to know that I predict that two years from now Billy Carter will be just as famous as he is today. [Laughter and applause.]

And I know the question that all of you are asking yourself, that burning question of the moment, and that is, have I tried Billy Beer. [Laughter] Well, the answer is yes, and it is absolutely terrible. [Laughter.] As a matter of fact, it was so bad I thought on the spot I would send a little sample out to the local VA hospital there in Washington and get it tested. [Laughter.]

Two days later the answer came back and it said, "Dear Mr. Administrator: We are sorry to inform you we think your horse had diabetes." [Laughter and applause.]

So in conclusion, let me say that over the last 18 months I have indeed traveled some 100,000 miles, and I have personally seen more than 25 VA hospitals, and it is a constant challenge to me to remember that as administrator I am now responsible for the quality of care and the quality of life in 172 VA hospitals.

For those of you who aren't familiar with the statistics, the statistics say that every night more than 72,000 American veterans go to bed. in a VA Hospital. And that is an awesome, poignant reponsibility, and one which I take very seriously.

We have been looking for a new chief medical director. We will be making a decision on that appointment shortly. But one factor again that I am looking for, outside of basic commitment to the VA and an independent VA health care system for veterans, is the kind of sensitivity that you and I know needs to exist in anyone who runs that large operation.

And I have got one chance to make that appointment and to guarantee that that individual has that kind of sensitivity, and I shall not fail you. [Applause.]

As you know, the VA health care system has gone through a fairly traumatic change in the last ten years, much of that men like Senator Cranston and his constant year-after-year efforts to make sure that the VA health care system had enough money and staff to improve the quality of care.

And we have, through his leadership and guidance and in a large part, his courage, in the last ten years added some 54,000 additional staff to the VA health care system, and we have doubled the number of people that we take care of each year now on an in-patient basis, and tripled our out-patient care.

The patient care has increased dramatically and will have to increase even more if we are to be totally responsible to the needs facing us. Those needs are many and I will mention a couple. One is to make sure the psychological readjustment needs of Vietnam Era vererans are met.

Senator Cranston has been pushing that for more than ten years. And it was the psychological impact of serving in Vietnam that occupied most of my testimony before his committee in December of 1969. And he has fought a long and valiant battle, and this year it looks like with White House support and VA support and his support, we will be able to put together a psychological readjustment counseling program for those Vietnam veterans who need it.

Secondly, as many of you know, the population of this country is getting older and older on the average each year, but the average age of the vereran population is increasing at an even greater rate, so that within the next 20 years we will have tripled the number of veterans over 65 that we have now.

What that means is that the VA health care system will have to adapt to that. We will have to build more nursing home care beds of our own. We will have to contract out more in the community for more nursing home care beds, and we will have to continue to improve and expand out-patient care and services. [Applause.]

There are a few other things that I think are of interest to you within the VA. As you know, we run a $13 billion veteran benefit system. Last year saw the White House asking for the very first time in many years the cost-of-living increase for DIC and service-connected veterans on disability compensation.

This year's budget saw that again. And I say that with that $13 billion system, we are trying to improve the responsiveness of that system much more than it is today. We are marching forth by a dramatic venture with automatic data-processing, and just this month we will bring up in the Midwest an automated system, fully automated, for handling disability compensation and pension and educational benefit claims and checks.

We think this will put the Veterans' Administration into the modern era in terms of handling large amounts of claims. If things continue to go well, early next year we will open up the Western portion of this country and all the regional offices there, and then by the end of next year we should complete that on the East Coast.

And the cemetery system, we are continuing to expand the system and virtually double the present number of grave sites available. We are opening up five new cemeteries, each one larger than Arlington. One of those cemeteries is in Riverside in Southern California.

And there will be others opening up later this year and next year. The complete program won't be completed until the early 1980's. But that is a growing need, and unfortunately veterans in this country are dying at the rate of more than 200,000 a year at the present time, and within the next ten years that rate will more than double.

So, it is incumbent upon the VA to be prepared for handling that. There are many things that are going on within the Veterans' Administration. I just wanted to mention a few of them to you. I want to thank you all again for recognizing the leadership that ought to be recognized, and I think that Alan Cranston and Oliver Meadows are two of the finest people in the country today in terms of leadership in veterans affairs, and you all have chosen wisely.

Let me just conclude by sharing with all of you some thoughts that have meant a lot to me. Five years ago I met a young man who had been a POW in Hanoi for seven years, and he shared with me a prayer of an unknown Confederate soldier that I have made virtually a motto, and I would like to now share that with you. It says a lot about life and about living:

> I asked God for strength that I might achieve.
> I was made weak that I might learn humbly to obey.
> I asked for help that I might do greater things.
> I was given infirmity that I might do better things.
> I asked for riches that I might be happy.
> I was given poverty that I might be wise.
> I asked for power that I might have the praise of men.
> I was given weakness that I might feel the need of God.
> I asked for all things that I might enjoy life.
> I was given life that I might enjoy all things.
> I have had nothing that I asked for, but everything hoped for.
> Almost despite myself, my unspoken prayers were answered.
> I am among all men most richly blessed.

Thank you all very much. [Standing ovation.]

National Commander MEADOWS. Thank you so much, Mr. Administrator, for your presentation, your encouraging words, and most of all, your inspiration. We greatly appreciate your being with us and we appreciate the dedicated work of, the last time I saw the numbers, 280,000 people that serve throughout the regional offices and the hospitals under your leadership with, as you say, only one justification for existence and that is service to veterans.

Thank you so much for being our guest, and we appreciate having you here. [Applause.]

I think you will all agree that the words from our two guests, the chairman from the Senate Veterans Affairs Committee and the Administrator of Veterans Affairs, are a splendid way to begin the official proceedings of this convention.

Now at this time I would like to introduce our national convention chairman, Past National Commander Ray Neal. Ray has done an outstanding job in working to make this convention a success, and his efforts will help assure that we all have a very good time while we are here in San Francisco.

Ray is a graduate of San Francisco University. He is an attorney, and he works as district counsel to the general counsel staff of the Veterans' Administration Regional Office here in San Francisco. A disabled veteran of World War II, although he looks more like a Vietnam veteran, Ray has been active as a DAV member many, many years.

He has served in all positions in his chapter, in the Department of California, and he worked his way up through the national chairs before being elected national commander of the DAV at the national convention in Miami in 1969.

Ladies and gentlemen, I present to you a dedicated DAV leader who really needs very little introduction to a DAV group, and we again reiterate our thanks for a personal effort that he has exerted as our convention chairman. Ray. [Applause.]

Mr. RAYMOND P. NEAL. Thank you. Commander Oliver Meadows, Commander Marjorie Vincent, national officers, distinguished guests, delegates, my fellow comrades and you Auxiliary ladies: Welcome to the city by the Golden Gate. Sometimes we refer to this as the City of St. Francis. That might have been more prevalent a few years back, since our crime rate has gone up.

It is also known as the City of Baghdad by the Bay. And, my Convention Committee and myself hope that you enjoy San Francisco as a convention site. We recognize the economics and inflation, that perhaps this convention isn't as austere as those in the past.

If you will recall, and if you will look in your booklet, and some of you were here then in 1922 and I think 1951, when those conventions were under the direction and the guidance of a gentleman who we call Mr. DAV, the man who was dedicated to this organization right up to the very minute as we speak before this group today, none other than Harry Wentworth, a man who has been dedicated to this organization over these years. [Applause.]

I know that I can't fill Harry's shoes, but we are trying very hard to give you a good convention. This city is a fun city. There are a lot of sights and things to do. There are many good restaurants, good theatres, and we have some of the other.

As you recognize, you are in the Tenderloin area. In some places perhaps that is a recognition of some sort, but let me caution you anyhow—and I think I have that duty or responsibility to do so—I think even our local gendarmes walk around in pairs. They don't go around singly.

So I should say you do the same thing. You know, when you step outside these hotel doors, you can find anything that you might be looking for [laughter], and some that you are not. So play it cool and play it calm and enjoy yourself. And I know you are going to have a very good convention.

I know production-wise your records always speak for the same in the past and will be today and tomorrow and in the future. But, take it easy at nighttime around this area, but enjoy yourself. Thank you very much. [Applause.]

National Commander Meadows. Thank you very much, Ray, and again our thanks for your efforts in making these arrangements for us.

During my term as national commander, I have been fortunate to have a very fine group of national officers that have helped and served me and have served this organization, and I would like to introduce these national officers to you at this time. We will skip over one and begin with the first junior vice-commander, Tommy Tomlinson [applause]; second junior vice-commander, a man who we may have to register as a lobbyist, Paul Thompson [applause]; the third junior vice-commander, Stan Pealer [applause]; and fourth junior vice-commander, a local product, Sherman Roodzant. [Applause.]

I never go anywhere without my lawyer, the national judge advocate, Boniface Maile. [Applause.] And our thanks to our national chaplain for a splendid and inspiring memorial service this morning, Reverend Carl Bergstrom. [Applause.]

And my own national commander, a man who has been from one end of the DAV to the other, who probably has served in every conceivable assignment that a man can serve in from chapter to National, Frank J. Randazzo of New York. [Applause.]

I would like for you to see the National Executive Committee that served you as your major policy-making body; From the 1st District, Walter Morgan [applause]; from the 2nd District, J. Vincent Moynihan [applause]; 3rd district, Metro Ostash; from the Commonwealth of Puerto Rico, Julio Gonzalez-Monclova [applause]; 5th District, Jimmy Patrick [applause]; 6th District, James Collins [applause]; 7th District, Joe Racco [applause]; the 8th District, Al Hanna [applause]; 9th District, Benny Daniels [applause]; 10th District, Lew Snowbeck [applause]; 11th District, Sam Vigil [applause]; 12th District; George Egel [applause]; 13th District, Doris "Marty" Marx [applause]; and the distinguished chairman of our Finance Committee and a member of the National Executive Committee, Paul G. Freeman of Oklahoma. [Applause.]

And the one remaining officer that I have not introduced I will yield to now, the senior vice-commander, Billy Hightower. [Applause.]

[Whereupon, Senior Vice-Commander Billy O. Hightower assumed the chair.]

Senior Vice-Commander Billy O. Hightower. Officers and members of the DAV, it is indeed a privilege and an honor for me to introduce our national commander who I think you will find from his report that we have had an outstanding year, one of the probably most outstanding years in the Disabled American Veterans because of the leadership of this great man, a man who has been recognized by U.S. Senators and VA Administrators as the most knowledgeable man on veterans benefits in the United States.

At this time, Commander Meadows will present his annual report to you. Oliver. [Applause.]

National Commander Meadows. Thank you very much, Billy. Before presenting this report to you, I would like to make a more important presentation, certainly a more important presentation to me. And that is I would like for you to see my wife, Jane. [Applause.] And I know that she will especially want to join me in thanking all of our friends in the departments that we were fortunate enough to visit, reaching from Puerto Rico on the one extreme to Hawaii on the other.

She was able to go with me most of the time. We thank you all so much for your hospitality and kindness in those departments that we visited. [Applause.]

In reporting to this convention on your organization's activities during the year, I suppose I could spend a lot of time reading statistics and details on subjects like membership, rehabilitation and veterans legislation and employment and those kinds of things, but it seems to me that these will be covered adequately by various heads of departments and divisions and committees that make reports to you, so I will not take a great deal of time with that sort of thing except to say that I am naturally happy that our membership, the campaigns are succeeding very well.

We are now at 575,000, and we think we can see the goal of 600,000 members in sight. I urge you to work to achieve this goal. Our finances are sound. We reviewed our financial position yesterday, and I can only say to you that our fund-raising efforts continue to be highly successful, and I believe that we are fulfilling our stewardship of placing these funds into the service of disabled veterans through our splendid national service program and other activities that we undertake.

Our national service program is the envy of all the other veterans groups. Our national service officers have secured more than $600 million in retroactive federal benefits last year and more than $50 million in new monthly benefits for veterans and their families that they have been working on.

Now, isn't that the kind of effort and the kind of way we should spend our money and serve our comrades [Applause.] We have been trying to see that our service program, even though it is good, is better and improve the technical skills of our service officer corps, and in this we have run a series of seminars that have brought our service officers to Washington for an intensive two-week training period.

We are very pleased with the process, the progress of these seminars and the fact that they are achieving the objective that we wish; that is, making true professionals out of our service officers.

Despite the unrelenting adversity and intense competition for federal funds, our legislative program is moving along in a good fashion, as Senator Cranston has indicated to you. Our legislative director will give you more details on some of these issues a little later, and I will only say that we appear on the brink of achieving passage of the DIC legislation that we have sought so long.

I believe that we will break through the 50-percent level and lower dependency payments below the 50-percent level at least to the 40-percent level and perhaps with a 30 percent with increased payments to those currently receiving dependency levels 50 percent and above. That goal appears to be in the near future.

We are going to achieve, I believe passage of our paired extremities bill, and as Senator Cranston told you, the House and Senate have already passed a 7-percent compensation increase. These legislative goals are in good order.

The remaining work is to be done on all of these issues at the conference level, and you can rest assured that your national officers and your national staff will be devoted and dedicated to carrying it through these final phases so that these pieces of legislation can go on the books.

In the area of employment, we have scored several breakthroughs. We have a talented and skilled group of young men in our Employment Service. At the beginning of the year it appeared that they were confronted with impossible adversity. It appeared that we were getting nowhere, but through sheer persistence, through skilled research and effective presentation of the facts, our Employment Group achieved the breakthrough in the employment situation.

We have forced a change in the leadership of that program, and I think for the first time have attained recognition of the problem at the national level, and even more important are seeing a downward trend in the unemployment rates for veterans, particularly younger veterans. [Applause.]

I want to thank our National Adjutant Dale Adams and his assistants, Tom Dehne and Dick Wilson; our service director, Norman Hartnett; our director of legislation, Bill Gardiner, who served part of the term, but was forced to retire because of ill health, and I know that all extend my best wishes to John Heilman who has taken up the responsibility. All have done a terrific job, and I want to thank them at this time for their effective work. [Applause.]

I think you have seen the line officers, and I again express my appreciation to them.

I said when I started that I didn't want to spend too much time on simply reciting what has happened during this past year, but I thought that it might be more appropriate that I share with you some views that I have accumulated during this year as your national commander.

I think we absolutely must not think so much of the past but look into the future somewhat and try to decide what our problems will look like five or ten years from now. If we don't plan ahead, there is little likelihood that we will be able to maintain the kind of steady progress that we have been making.

As I reflect on the political climate of today and speculate about the future, I am forced to recognize that our job is becoming more difficult. Today there is little awareness of the sacrifices made during wartime by individuals that served during a period of war.

Inflation is our greatest problem. The national debt is astronomical and competition for the federal dollar has become so fierce that it is obvious that we must intensify our efforts merely to hold the gains that we have. During this past 12 months, we have been subjected to three major threats that demonstrate that there are those in positions in national leadership that don't share our views of proirity on the expenditure of federal dollars during these months.

We have turned back an attempt to pass an amnesty program that threatened the national concept of honorable military service and the attendant benefits that go with honorable service. We saw a direct assault on the budget of the VA medical program and the research program. We repulsed that threat only through an extremely heavy effort on the part of the entire organization, with a great amount of assistance from our Auxiliary.

I wish I could say that this will be the last time we will have to do this, but I don't believe that at all. I suspect that this coming year we will again be subjected to another attempt to cut the budget of the medical program.

The third threat, the current attempt to cut back on veterans preference, is yet undecided. We are pitted against the President of the United States. We are pitted against a great deal of the press of this country that has been led to believe that some way or other if we reduce veterans preference that the federal employment service will become more effective.

We know that that is not true. We know from the facts at hand that it is not the veterans in this country that are depriving women of opportunities to work in the Federal Government, and I think the fact is missed that veterans preference is very important to women in this country, aside from those seeking employment. [Applause.]

Veterans are married; veterans have daughters; veterans have families; and those veterans that have used their preference to attain service in the Federal Government and have been protected in reductions in force certainly have not benefited only themselves but female members of their families have benefited likewise.

And I suspect that there are more women in this country that have a direct stake and a direct interest in the benefits of veterans preference than we will ever have seeking employment as individuals in their own right. [Applause.]

I don't mean to take the approach here that I want to brag a little that we bravely turned back the amnesty program, that we were able to win the budget batle, and it looks as if we may win the veterans preference battle—that is really not the point that I want to develop with you today.

I wanted to cause you to focus your mind on why we are confronted with those obstacles, why we have had to fight those battles. Now, the answer is clear enough. Someone in high places has made a decision that there is more to be gained by catering to other groups, groups that are characterized as women and minorities, than there is in dealing with the veteran groups.

It is imperative that if we are to be confronted on the political level, if the decision is to flow from a political base, that is that there are more votes catering to those groups than there are catering to ours, that we must meet the threat on that level; that is, on the sheer political level, and that is the reason it is absolutely imperative that we not lose these battles.

We have won two. We are going to win the third one, I think. [Applause.] We don't win these battles out of a lot of personal merit that is attributed to those of us here; we have lots of friends to help us. And I want to mention a few of these people in Congress that have been of great help to us.

Congressmen Hanley and Gilman of New York are our leaders, are leading the fight to preserve veterans preference. Congressman Hanley, the second-ranking man, will be the chairman of the Senate Post Office and Civil Service Committee. But whether we win, lose, or draw as we attempt to support the Hanley Amendment coming up for a vote very shortly that will preserve veterans preference, we are forever indebted to Congressman Hanley for standing with us. [Applause.]

Congressman Roberts and Congressman Hammerschmidt of Arkansas lead the fight that created the legislation that turned back the amnesty program proposed by the Administration. We are greatly in their debt for that. [Applause.]

Senator Cranston mentioned, and I think it may have escaped you, because he mentioned it in his typical retiring fashion, he said next week he is going to introduce an amendment that he expects to have added on to this federal employment legislation.

Let me reiterate to you we have two issues here. One issue is not to lose the preference that we have, especially for the five-point veteran; and the other more specifically of concern to us is the status of the disabled. Now, Senator Cranston said to you this afternoon that he is preparing for introduction—we are quite conversant with his amendment that will be introduced next week, and that amendment not only will preserve the status of the disabled in federal service, but will strengthen the status of the disabled in federal service in several important respects.

Therefore, it is our hope that we win two things in this veterans preference issue, to strengthen the position of the disabled that seek to work with the federal government, and protect the position of the nondisabled five-point veteran that is the target. [Applause.]

We are indebted to Senator Randolph of West Virginia and Senator Thurmond of South Carolina because they took a special interest in our paired extremities legislation. We thank Congressman Montgomery of Mississippi who has brought forth our DIC and paired extremities bills from his subcommittee in the House Veterans Affairs Committee.

And Mrs. Heckler of Massachusetts took on the Labor Department over its poor performance in the veterans employment field, and working with our own employment representatives, Ron Drach and his people, did effective work in seeing that we had a change of leadership in that program.

The committee led by Congressman Boland of Massachusetts—he is a man who we depend on to see that we get the appropriations and we greatly appreciate his friendship. These people have helped us. There are lots of others that have helped us, and it is important that we recognize that we gain very little through our own sheer merit, that we gain a lot because there are still a lot of people in this country in high places that share our views as to the nation's relationship to its former servicemen, particularly those that were disabled, and that share our view that the disabled come first.

One other thing that I would like to mention to you that I feel strongly about, but it is a little difficult to approach, and that is the obligation of this organization to provide the intellectual leadership that is going to be necessary in the next few years.

We are witnessing a strange vacuum in Washington, and part of that is the hostile anti-veteran attitude that perhaps is traceable to the fact that the wars are declining behind us.

The other is that there seems to be a vacuum in leadership in the veteran field in Washington, and this organization is being required to fill that vacuum, and has done so, I think, in an admirable way this last year. But, it is not enough to say that we simply respond to threats and when someone tries to take something away from us that we write letters and send telegrams. That really isn't enough.

It is necessary that this organization provide the intellectual leadership, the program concepts that are necessary to take care of disabled veterans and disabled people in this country through the next few years. Now, the only way you can do that is along the lines that we are trying to proceed, that is, develop and fund highly competent staff, young people that have time to learn, people that have enough judgment and enough capacity and talent to explore an issue, research an issue, and present that issue at the highest levels of government, in the highest councils.

Reactionary, explosive, bad-tempered reactions don't get you anywhere. You can only make steady progress with intelligent, reasoned application and intelligent reasonable approaches to the leaders of government. We must raise the level of that capacity in the DAV even beyond where it is today, and I say to you that I will be accused of being parochial, but I will do so anyway, but there is no question that this capacity, the Disabled American Veterans organization today is unmatched in the veteran world. [Applause.]

We must take the leadership in these things. We have no right to expect others to do it for us. If there is a problem relating to a small group of disabled that have highly peculiar situations. how can we expect someone else to do it for us. Who logically can do a better job of identifying this problem and seeking the solutions to it than we can do?

That really is our major problem, but now let me get back to practical politics for a moment. Our performance in the arena of practical politics is not bad. It is pretty good as a matter of fact, but it is not marvelous. We only have 500,000 members, and it is going to be necessary, as we move into the future, as things become more difficult, that we become better practitioners of practical politics.

And I think you have a way, a right to expect your national leadership to give you some guidance on this subject. It is a subject that is complicated. And it is a question of moving into the political arena in a limited, effective way. It is not dissipating efforts on trivial things, applying our resources and our political influence on just the things that are of interest to us.

We are trying to give this matter some thought, and we hope to give you better leadership on how to be more comprehensive in our political approaches, and I urge you, as you begin to think about this subject, to simply apply one simple rule: Do we always ask for things or do we help other people?

Are we the kind of people that go around with our hand out all the time saying, "Drop something in it"? Do we not recognize the problems of these elected representatives that we seek to influence? The answer is that it is a two-way street.

If you want to be a friend, you have got to be a friend. Now think about that, think about the people back home that represent you in the Congress and the Senate, and begin to have your mind focused on the idea as to how we can have a better relationship, a more effective relationship as the years proceed.

I would like to give some thoughts to the idea of what this organization ought to look like five years from now or ten years from now, not just to think about the problems that are confronting us, and as I look at that subject, it seems to me it would not be unreasonable to say that the DAV should have a million members ten years from now. Its Auxiliary ought to have a quarter of a million members ten years from now.

We should have a field corps of four or five hundred people ten years from now. And if we do not default on our trust with the American public, we should be able to fund that kind of operation. I feel enthusiastic about the future. I am not necessarily pessimistic because I know that in some ways our problems will become more difficult because I know it is possible to build this organization, and I know it is possible for this organization to look after itself and look after its business and look after the disabled in this country.

We have the right formula. We only need to exploit it and use it. And in doing so, it puts me in mind of the prayer there that Max Cleland read, the thrust of which was that the man achieved everything by thinking about something other than himself. If we dedicate ourselves to looking after others we will take care of ourselves, and that in the final analysis is the goal of this organization. [Applause.]

I want to thank you for the support that you have given your current administration. I want to make a special point of thanking the commander of the Auxiliary, Marjorie Vincent, and her adjutant, Kit Seal, and the ladies of the Auxiliary that have responded so marvelously when we called upon them.

Again, I want to say that we greatly appreciate our national staff and are proud of them. And most of all, Jane and I appreciate the kindness and the friendship that you have bestowed upon us. [Standing ovation.]

Senior Vice-Commander HIGHTOWER. Thank you, Oliver, for those words of insight and the words of caution, and also I want to thank you for the kindness and courtesies that you have shown me this year as your senior vice-commander.

The Chair will now entertain a motion to accept the national commander's report.

Mr. P. D. JACKSON. Comrade National Commander, P. D. Jackson, Buddy's Chapter Number 11. I move that the report we have just heard from this extraordinary and outstanding—can you all hear me all right?

[Cry of "No."]

Mr. JACKSON. I want to thank the commander for this outstanding report. I want to review something here about our distinguished, outstanding commander. Like his predecessors, he has done a most marvelous job. We give you a rising vote of thanks to your staff and the employees. They have done a magnificent, outstanding job for all of us. [Applause.]

Senior Vice-Commander HIGHTOWER. I believe we have a motion. [Laughter.] Is there a second?

Mr. BURTON STRUCKER. Comrade Commander, Burton Strucker, Bakersfield, California, Chapter 20, seconds that motion.

Senior Vice-Commander HIGHTOWER. We have a second. All those in favor, say Aye; all opposed. So ordered.

Now I will turn the chair back to Oliver.

[Whereupon, National Commander Meadows resumed the chair.]

National Adjutant ADAMS. Commander, if I can just have a word a moment, I think that was a nominating speech for your second term. [Laughter.]

National Commander MEADOWS. I will say to the adjutant, national adjutant, that if he can assemble any ten men in the corner back here, any cumulative effort of those ten people that would equal P. D. Jackson's contributions to this organizaion for the last 50 years, I want to see them. [Applause.]

My fellow members, when our legislative battles get tough, the ladies of the Auxiliary are always the first on our side and the first ones that we call upon. We have been extremely fortunate this year to have a truly fine and effective leader heading our National Auxiliary, Marjorie Vincent. It has been my pleasure to serve with Marjorie this last year, and I have greatly admired her effective no-nonsense way in which she manages the business of the organization.

Marge and her husband are a typical disabled veteran family. Charles served in World War II. They are married and have three daughters and five grandchildren. Both have been active in the DAV throughout most of their lives. Marge works for the Civil Service Commission, but for some reason known only to her declined the role of chief lobbyist in defeating the veterans preference movement that would affect the Civil Service Commission.

We asked the Auxiliary to respond on the budget issue, and they responded in a magnificent fashion. We asked them to respond on the amnesty issue, and they responded, and we have asked them for help on this veterans preference issue, and they have come forward in their usually fine way.

Ladies and gentlemen, I want you to join me in recognizing and welcoming the national commander of the Auxiliary, Marjorie Vincent, for her report. [Standing ovation.]

National Auxiliary Commander VINCENT. Thank you, Oliver. I feel like that was a campaign for me to run a second time. No, thank you? [Laughter.] The reason that I wouldn't think of hitting that campaign on the Civil Service Commission level for veterans preference is that they were certainly eyeing me and what I had to say at work, and I am sure they would have fired me.

National Commander Meadows, national officers and chairmen, national executive committeemen, past national commanders, delegates, members and guests: It is with justifiable pride that I report to you the activities of your Auxiliary for the 1977–78 year. The hours, miles, and moneys donated to the Veterans' Administration amounted to $390,500; covering 1,422,309 miles in 290,511 hours by 4,859 Auxiliary volunteers. [Applause.]

In legislation of benefit to the veterans, Auxiliaries reported over 30,000 contacts with federal legislators and almost 10,000 contacts with state legislators. In the programs of welfare to veterans and their families, members reported working 457,469 hours and spending $647,434. This is just three of the programs that I mentioned in which the Auxiliary participated in service to the disabled American veterans.

Thanks to the letter sent to the chapter members over the signature of our National Commander Oliver Meadows, the Auxiliary membership was increased to over 73,000 members. However, out of 280-some thousand letters sent to members of the Disabled American Veterans asking them to sign up their eligible members of their families, only about 9 percent responded.

I mentioned in Washington, D.C. for the C&A Conference that the Auxiliary would be very, very happy to at least have membrship on a one-to-one basis. If you think for one minute that we are going to stop here, gentlemen, you are mistaken, We are not giving up on our membership. We do expect to come up somewhere near the total you have. I can't project the time, but I can certainly project that there will be many, many people working toward that effort.

On behalf of all the Auxiliary members, we wish to express our sincere thanks to you for your efforts and tell you that we really do appreciate and are grateful for what you have done for us and for the members that we receive.

For my own efforts, I visited Washington, D.C. on four occasions, attending the President's Committee on Employment of the Handicapped, the VAVS Advisory Committee, the Women's Forum on National Security, and our Midyear Conference at which time we also went to the C&A.

I visited 22 of our states and the Commonwealth of Puerto Rico, 16 VA hospitals, three veterans homes and two national cemeteries. I have traveled over 44,500 miles, about one and a half times around the world, and over 5100 land miles. In every instance, I was warmly greeted by the chapter members as well as the Auxiliary members.

I found that my theme, "The Sprit of Unity," was exemplified in every instance. Chapter members are very concerned about their Auxiliary members, and they showed great regard for the work that has been done by their Auxiliary.

In VA installations, I found the hospital directors and chiefs of voluntary services more than pleased with the services rendered by all of our membership. I am sure Oliver will agree with me that the visits made to our many departments, we were royally treated, and I thank all of you for your many kindnesses and certainly all the courtesies extended to us.

And I wish to thank you for your attention to me and for the opportunity to give you my report today. I would like to tell you that our Auxiliary is on a very firm financial footing. We are enjoying a very, very good, good year. We hope that this continues. We certainly expect it.

At this time, I would like to introduce the ladies that have served with me this year and who have also served you: First of all, our national senior vice-commander, Florence Valgardson from Utah [applause]; our national first junior vice-commander from Missouri, Maurine Pederson [applause]; our national second junior vice-commander from Pennsylvania, Marie Tedrow [applause]; our national third junior vice-commander from Massachusetts, Florence Daley [applause]; our national fourth junior vice-commander from Georgia, LaDena Rich [applause]; our national chaplain from Arizona, Sally Wilton [applause];

No one could do without the expertise of our judge, Lucille McCarthy, past national commander, now from Florida [applause]; and our junior past national commander from Virginia, Thelma Williamson. [Applause.] And because of the fact that I mentioned what a good footing we are on and how financially well off we are, that would never have happened without the expertise of one of the finest women that serves each and every one of you, who has the dedication and the love for the Disabled American Veterans and Auxiliary, our adjutant, L. Kit Seal. [Applause.] I am sure you know how very special she is to all of us.

I would like also to introduce our convention chairman, who is our past department commander, Loretta Downey from San Francisco, California. [Applause.] Is my husband here anywhere? I think he left so he wouldn't have to listen to me. [Laughter.] I was going to introduce him. Wait until I get him home!

Oliver, may I have you up here, please. Something that is very special is the opportunity for me to say thank you on behalf of all of our Auxiliary members for just being such a very, very grand person as well as being our national commander.

And so for that opportunity, I present to you, "Oliver E. Meadows, national commander, in appreciation for distinguished service given to the Disabled American Veterans Auxiliary." Signed, L. Kit Seal, national adjutant, Marjorie Vincent, national commander, 1977–1978. [Applause.] This is my pleasure.

Oliver has certainly been extremely gracious and very, very wonderful to have as a partner in our organization, and I certainly appreciate having had him to serve with and to serve for. Thank you very much. [Standing ovation.]

Disabled American Veterans Auxiliary—Financial Statements For the Year Ended December 31, 1977 and Opinion of Certified Public Accountants

Deloitte Haskins & Sells,
Cincinnati, Ohio, April 20, 1978.

National Finance Committee,
Disabled American Veterans Auxiliary.

We have examined the balance sheet of Disabled American Veterans Auxiliary as of December 31, 1977 and the related statements of revenues, expenses and changes in fund balances and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Disabled American Veterans Auxiliary at December 31, 1977 and its revenues, expenses, and changes in fund balance, and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change with which we concur, in the method of accounting for educational loans to students as described in Note 4 to the financial statements.

We have previously examined and reported on the financial statements of Disabled American Veterans Auxiliary as of December 31, 1976 and for the year then ended. In our opinion, the summarized information for 1976 presented for comparative purposes, presents fairly the information shown therein.

Deloitte Haskins & Sells.

DISABLED AMERICAN VETERANS AUXILIARY, NATIONAL HEADQUARTERS
BALANCE SHEETS, DEC. 31, 1977 AND 1976[1]

ASSETS	1977	1976
Unrestricted Funds		
Operating and designated funds:		
Cash	$140, 779	$136, 086
Accounts receivable	1, 774	3, 562
U.S. Government securities—at cost (approximate market)	96, 804	
Materials and supplies—at cost (specific identification)	53, 941	57, 946
Prepaid miscellaneous expenses	8, 275	1, 117
Total, operating and designated funds	310, 573	198, 711
Restricted funds (note 3)		
Life membership fund:		
Cash (includes certificates of deposit: 1977, $134,788; 1976, $125,603)	235, 346	221, 260
Investments in securities—at cost (approximate market value: 1977, $383,656; 1976, $247,531)	383, 000	240, 000
Accounts receivable:		
Auxiliary operating fund	4, 038	463
Other	1, 837	1, 943
Total life membership fund	624, 221	463, 666
Education loan fund (note 4):		
Cash (includes certificates of deposit: 1977, $17,334; 1976, $16,227)	52, 507	50, 643
Accounts receivable—Auxiliary operating fund	10, 378	2, 660
Notes receivable (less allowance for doubtful notes of $31,600 in 1977)	25, 322	
Total education loan fund	88, 207	53, 303
Total, restricted funds	712, 428	516, 969

LIABILITIES AND FUND BALANCES	1977	1976
Unrestricted funds		
Operating and designated funds:		
Liabilities:		
Accounts payable:		
National headquarters, DAV	60, 412	23, 061
Life membership fund	4, 038	463
Education loan fund	10, 378	2, 660
Other (note 6)	4, 713	12, 260
Total accounts payable	79, 541	38, 444
Accrued vacation and sick leave pay	14, 658	11, 828
Deferred membership fees (note 1)	105, 477	97, 231
Total liabilities	199, 676	147, 503
Fund balances—operating and designated funds:		
Undesignated operating fund available for general activities	93, 898	43, 228
Funds designated by the national finance committee (note 3)		
Carville fund	7, 684	6, 759
Freedom Foundation	315	1, 221
Total fund balances	101, 897	51, 208
Total, operating and designated funds	310, 573	198, 711
Restricted funds (note 3)		
Life membership fund—Fund balance (total)	624, 221	463, 666
Education loan fund—Fund balance (Total)	88, 207	53, 303
Total, restricted funds	712, 428	516, 969

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[1] See notes to financial statements.

DISABLED AMERICAN VETERANS AUXILIARY, NATIONAL HEADQUARTERS—STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DEC. 31, 1977 WITH COMPARATIVE TOTALS FOR 1976 [1]

	Unrestricted operating and designated funds	Restricted funds		Total all funds	
		Life membership fund	Education loan fund	1977	1976
Revenues:					
Membership fees and mandates	$168,624	$191,873	$15,718	$376,215	$309,520
Payments made by students					2,785
Reimbursement of forum expense	4,058			4,058	
Sale of emblems, etc., less related direct costs—$26,812 in 1977 and $27,742 in 1976	4,176			4,176	302
Interest income		31,981	2,341	34,322	22,992
Other	10,831		95	10,926	1,345
Total revenues	187,689	223,854	16,154	429,697	336,944
Expenses:					
Distribution of units and departments		12,435		12,435	9,618
Payments made to students					8,950
Costs and expenses:					
Salaries and wages	67,276			67,276	61,674
Payroll taxes	4,846			4,846	4,534
Conferences and meetings	5,564			5,564	17,540
Expenses of National Convention	12,057			12,057	10,562
Publication of monthly magazine	12,000			12,000	12,000
Printing, stationery and office supplies	9,517			9,517	7,076
Expenses of national commander and officers	8,502			8,502	9,572
Employee benefits (note 5)	19,199			19,199	26,374
Postage	14,492			14,492	21,182
Travel	11,136			11,136	11,267
Life awards	11,228			11,228	8,165
VAVS awards	5,884			5,884	528
Other	6,163			6,163	4,391
Total expenses	187,864	12,435		200,299	213,433
Excess (deficit) of revenues over expenses	(175)	211,419	18,154		
Other change in fund balance—Transfer of life membership dues and fees to unrestricted operating fund	50,864	(50,864)			
Fund balance, beginning of year, as restated (note 4)	51,208	463,666	70,053		
Fund balance, end of year	101,897	624,221	88,207		

[1] See notes to financial statements.

DISABLED AMERICAN VETERANS AUXILIARY, NATIONAL HEADQUARTERS—STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DEC. 31, 1977 WITH COMPARATIVE TOTALS FOR 1976 [1]

	Unrestricted operating and designated fund	Restricted funds		Total all funds	
		Life membership fund	Education loan fund	1977	1976
Sources of funds:					
Excess (deficit) of revenues over expenses	($175)	$211,419	$18,154	$229,398	$123,511
Effect of change in accounting method (note 4)			16,750	16,750	
Decrease (increase) in materials and supplies	4,005			4,005	(7,653)
Increase in deferred membership fees	8,246			8,246	27,289
Increase (decrease) in accounts payable and accrued expenses	43,927			43,927	(56,686)
Total	56,003	211,419	34,904	302,326	86,451
Uses of funds:					
Increase (decrease) in prepaid expenses	7,158			7,158	(4,086)
Increase in notes receivable			25,322	25,322	
Increase (decrease) in accounts receivable	(1,788)	3,469	7,718	9,399	(72,988)
Purchase of securities	96,804	143,000		239,804	190,693
Total	102,174	146,469	33,040	281,683	113,619
Transfers of life membership dues and fees	50,864	(50,864)			
Increase (decrease) in cash	4,693	14,086	1,864	20,643	(27,158)

[1] See notes to financial statements.

DISABLED AMERICAN VETERANS AUXILIARY, NATIONAL HEADQUARTERS—NOTES TO FINANCIAL STATEMENTS, DECEMBER 31, 1977

1. Organization

The Disabled American Veterans Auxiliary (the "Auxiliary") is a not-for-profit service organization organized under the provisions of the National Constitution of the Disabled American Veterans. The Auxiliary is organized for the betterment and improvement of the nation's disabled veterans and their families and to cooperate with all patriotic organizations and public agencies devoted to this purpose.

2. Summary of significant accounting policies

Investments.—Investments in securities are recorded at cost. Gains and losses resulting from the sale of such securities are recognized at the time of disposition and are computed using the specific identification method.

Deferred income.—The DAV Auxiliary accounts for membership fees by deferring fees received in advance of the membership year (July 1 to June 30) and amortizing them to income during the membership year for which they are paid.

1976 financial information.—The summarized information included in the financial statements as of December 31, 1976 and for the year then ended is included only to provide a basis for comparison with 1977 and is not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

3. Designated funds

The DAV Auxiliary National Finance Committee has designated certain unrestricted funds for the following purposes:

Carville Fund.—for the benefit of persons afflicted with Hansen's Disease being treated at the U.S. Public Health Service Hospital, Carville, Louisana.

Freedom Foundation.—for the purpose of providing financial aid to elementary and secondary school teachers attending annual summer teaching seminars held at the Freedom Foundation, Valley Forge, Pennsylvania.

4. Restricted funds

Life Membership Fund.—under the by-laws of the DAV Auxiliary, life membership in the organization is available and amounts so paid are required to be placed in a separate life membership fund and invested; the only withdrawals from the fund are amounts required to pay unit, state and national per capita dues for life members.

Life membership fees received in 1977 ($191,873) are restricted for payment of future membership dues. Amounts paid in 1977 to units and state department ($12,435) and to the operating fund ($50,864) are based on the number of life members, and are the maximum amounts allowable under the by-laws. The restricted fund balance represents the estimated amount necessary to provide for dues for existing life members over their remaining lifetimes.

Education Loan Fund.—under the by-laws of the DAV Auxiliary, amounts received from each unit as a mandate for educational loans are placed in a separate fund and invested; withdrawals are made from the fund solely for loans to students.

During the year ended December 31, 1977 the Auxiliary changed the method of accounting for educational loans to students and recorded the outstanding loans less an allowance for doubtful notes. Prior to 1977 these loans were accounted for as scholarships with the payments made to students being included as an expense and any repayment received from students being included as revenue in the statement of revenues, expenses and changes in fund balances. The change was made to in order to properly account for the substance of the granting of loans to students and has accordingly been treated as a prior period adjustment to the educational loan fund balance as of January 1, 1977. The comparative amounts in the financial statements for 1976 have not been retroactively adjusted for the effects of this change in accounting methods. Had the effect of this change been made in 1976, the excess of revenues over expenses would have increased by $13,849 and the educational loan fund balance as of January 1, 1977 would have increased $16,750 from the amount previously reported.

5. Employee benefits

Employee benefits are comprised of the following expenses at December 31, 1977:

Retirement plan	$11,401
Vacations	427
Sick leave	2,403
Health insurance	4,968
Total	19,199

All employees of the Disabled American Veterans Auxiliary are covered by the DAV Retirement Plan. The total retirement plan cost for DAV Auxiliary in 1977 was $11,401. As of January 1, 1977 (the date of the most recent actuarial valuation) the actuarially computed value of vested benefits exceeded the total of the pension fund by approximately $3,800.

6. Accounts payable—other

In 1977 the DAV Auxiliary adopted the policy of the Disabled American Veterans (DAV) for unclaimed checks. Checks issued prior to the current year, but not cashed, are written off to income as year end. The amount of unclaimed checks reflected in income for 1977 is $5,292.

7. General.

For comparative purposes, certain 1976 items have been reclassified to conform with 1977 classifications.

National Commander MEADOWS. Thank you very much, Marjorie, and we truly do appreciate the great help that you gave our organization during this last year as commander.

Now then, I would like to introduce our national service director, Norman B. Hartnett, who will make the presentation of the Outstanding Disabled Veteran of the Year, a very important presentation for our organization. Norman. [Applause.]

Mr. NORMAN HARTNETT. National Commander Meadows, National Auxiliary Commander Vincent, reverend clergy, national officers, distinguished guests, members and friends of the Disabled American Veterans and its Auxiliary: Today I am honored to introduce the Outstanding Disabled Veteran for 1978, selected from several DAV department nominees by a panel of judges consisting of Dorothy Starbuck, chief benefits director of the Veterans Administration Dr. Harry Tebrok, national medical officer, U.S. Postal Service; and and Robert E. Werner, Veterans Employment Programs, U.S. Civil Service Commission.

After graduation from the University of Scranton in 1969, our recipient was commissioned as a second lieutenant in the U.S. Army and was assigned to the infantry at Fort Benning, Georgia. He was subsequently ordered to Vietnam and served as platoon leader in the Americal Division.

On the morning of January 25, 1971, while leading his platoon, a land mine was detonated which resulted in the traumatic amputation of both legs and the subsequent amputation of his left hand, in addition to other severe wounds. After hospitalization at the 91st Evacuation Hospital in Chu Lai and in Japan, evacuation was effected to the Valley Forge Medical Hospital where additional surgery was performed.

Eleven months later, in December of 1971, our honoree left the Valley Forge Hospital with two artificial legs and one arm. Despite these serious injuries, this courageous individual returned to the University of Scranton as a graduate student under the VA vocational rehabilitation program, and he was graduated in 1974 with a master's degree in business administration.

The Mayor of Scranton appointed this outstanding disabled veteran as the Bicentennial coordinator for the city, and he did such an outstanding job that he was retained in the Mayor's administration as an executive assistant. In early 1977, at the age of 32, he was elected as tax collector in his home community, defeating a well-entrenched incumbent.

Although devoting much time to rehabilitation, education, civic activities and employment, this energetic young man was active in the Disabled American Veterans as a member of Chapter Number 11 Mid-Valley, Scranton, Pennsylvania, and he is also a life member of the DAV National Amputation Chapter.

He is a member of the American Legion and the Veterans of Foreign Wars and has been involved in the United Way campaign, the President's Committee on Employment of the Handicapped, Friends of the Scranton Public Library, the Mayor's American Flag Committee, and other community activities. An active church member, he serves as a trustee for the Elm Park United Methodist Church in Scranton.

Our 33-year-old winner is married to the former Miss Janet Pantle of Scranton. This year's recipient of the National Commander's Award as the Outstanding Disabled Veteran of the Year is truly a remarkable individual. His outlook on life is reflected in the theme used during his campaign for public office, and it was: "He served his country; he serves his city; he wants to do more."

He is accompanied here today by his wife, Janet. Commander Meadows, comrades, ladies and gentlemen, I present to you with great pride, David J. Wenzel, Scranton, Pennsylvania, whose accomplishments and outlook on life certainly serve as an inspriation to all of us and have resulted in his being declared the Outstanding Disabled Veteran for 1978. David. [Standing ovation.]

National Commander MEADOWS. I can tell by your response that you share our enthusiasm for this fine selection, and I now present to you the Outstanding Disabled Veteran of the Year. [Applause.]

Mr. DAVID J. WENZEL. Thank you, Commander, and Mr. Hartnett for those wonderful remarks. This is—well, what do you say after something like this? This is quite an honor, to say the least. It is also quite a responsibility, and I take it very seriously. When I have been interviewed by some of the media and the press here in the local area, I have spoken out for the Vietnam veterans especially, but for disabled American veterans from all over our United States.

When Max was here earlier, he mentioned some of the remarks that I made in the DAV Magazine about not being able to win an award like this without a lot of help. In my case it was a lot of help from my family and friends, and I would like at this time to ask my wife if she would come up here and if you will give an ovation also. [Standing ovation.]

I wasn't going to do this, but I am going to embarrass her a little bit, and I am going to tell you a little bit of a story that kind of sums up just how she has been able to help me. When I was down at Valley Forge Hospital, it was only about three or four months before all the operations were taken care of and the long process of rehabilitation and learning how to walk all over again with two artificial legs and

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an artificial hand, and it was going to take a long time, the doctors told me.

But something happened to me which I think happens to a lot of veterans too, whenever you have a long term, you know, something wrong with you over a long period of time. And that is you start getting into a little bit of a, oh, you might say, a little bit of a rut, and you start letting things slide, and this is what happened to me for quite a while.

I wasn't going to rehabilitation. I was always finding excuses why I wouldn't go to rehabilitation and learn how to walk with these things. After all, it is a very painful process, as many of you know. So my wife, who is a fourth-grade schoolteacher and has always held the philosophy, whatever works on a fourth-grade student will always work on her husband [laughter], came up with an idea.

She constructed a large calendar chart right next to my bed, and she gave a box of stars to the nurse who was in charge of rehabilitation. [Laughter.] And every time that I went to rehabilitation and walked, I was to be given one of these stars, and every time I wasn't, I didn't go, I wasn't to be given one of the stars.

So that the nurses and my friends who would come into my room to visit me, if they didn't see a star up there, they would start to get on me. And eventually, this had the effect that you just, well, you know, you're letting somebody down. It is something that is there that is very visible to you, and you just can't put it out of your mind.

So it was because of this that I was able to walk out of Valley Forge Hospital after six months of rehabilitation, because of her efforts. [Applause.]

During this year I hope to speak out a lot about the rights of Vietnam veterans and also of disabled veterans and also handicapped people. This is a subject which is very close to me, and it is also very important as far as I am concerned as far as the national issue is concerned.

I thank you for the opportunity, and I thank you for giving me the platform from which to make these remarks. I have been treated royally here by the DAV staff, and I also want to extend my appreciation to them, and I hope to meet as many people as possible during our stay here at the DAV. Thank you all very much. [Standing ovation.]

National Commander Meadows. I think you will all agree that the selection of David was an eminently correct one and that he is certainly an individual that should inspire any who believe they can't to know that they can.

We have another award, a very important award, that was authorized last year that we wish to make at this time. From 1952 until his death in 1977 George Seal served the Veterans Administration Voluntary Services Program in a number of roles, including more than ten years as the National VAVS representative for the DAV.

He was also a member of the National VAVS Advisory Committee for many years. Because of his dedication to the cause of hospitalized veterans for more than a quarter of a century, delegates attending last year's DAV national convention adopted a resolution establishing the George H. Seal Memorial Trophy to honor annually the DAV and the DAV Auxiliary members who have contributed the most to the organizations' VAVS efforts during the previous 12 months.

A trophy on which the two winners' names are inscribed each year will remain on permanent display at DAV National Headquarters in Cold Spring, Kentucky, and the winners will each be presented with a miniature replica of that trophy.

I consider it a rare privilge to make the first awards of the George H. Seal Memorial Trophy. Our two winners were selected from a list of 170 nominees representing 85 Veterans Administration health care facilities throughout the country.

The Selection Committee was chaired by Peter Miller, National VAVS director at the VA Central Office from 1970 until his retirement in 1976. Committee members included Thelma Williamson, past national commander of the DAV Auxiliary; Andrew Sackela, chairman of the DAV National Hospital and Medical Services Committee; and representatives from the VA Central Office in Washington. D.C.

From the DAV, the committee finally settled on William R. Egan of Cohoes, New York, as this year's winner. [Applause.] Mr. Egan is a 100-percent disabled veteran of the Korean War. He is a VAVS worker at the VA Hospital in Albany, New York. During his 17 years as a volunteer, he has devoted more than 20,000 hours and traveled more than 170,000 miles, by bus or hitchhiking as necessary to meet the needs of hospitalized veterans.

A mark of his dedication is seen in the fact that he managed to get to the hospital during last winter's violent blizzards in New York, even when many of the hospital's own employees failed to show up. His volunteer responsibilities over the years have been many. But in the words of a hosptial staff member, which I think sum it up best of all—this hospital staff member who was associated with Bill over the years said, "Bill Egan approaches his volunteer activities as a duty and an obligation which he must fulfill."

We are very proud of our first choice Bill Egan for the George H. Seal Memorial Award.

From our DAV Auxiliary nominees, the Selection Committee's choice was June Mayton of Biloxi, Mississippi. [Applause.] Mrs Mayton is a volunteer at the VA Center in Biloxi and has been a volunteer for 15 years. She has traveled more than 14,000 miles and spent more than 23,000 hours during those years to serve hospitalized veterans in a variety of ways, many of them at her own expense.

Bill Egan and June Mayton certainly exemplify the VAVS spirit demonstrated for so many years by Mr. George H. Seal for whom this memorial award is named. I ask them both now to join me here at the podium so that we can honor them for their outstanding and selfless contributions on behalf of hospitalized veterans in their areas and to receive the George H. Seal Memorial Trophy. [Applause.]

I want to mention in this presentation to June, I want to tell you that she said that her trip here today was the first airplane ride that she has made, and she was a little shaky getting on, but after a little bit of champagne, she felt better getting off. [Laughter and applause.]

We are proud of you, and we know that you are an inspiration to those others who follow in your footsteps and giving of themselves as you have to the disabled veterans, and I am proud to present this award to you.

Mrs. **June Mayton**. I would love for my folks from the Gulfport and Biloxi Volunteer Workers to stand up. Mr. Bert Ladner, he is my post commander; Mrs. Mildred Ryan, she is my state commander;

Mrs. Norma Kay, she is my NEC, and I would love all of them to stand up. [Applause.]

Anything I want to know about the DAV, I just drop Miss Kit a line. Anyway, anything she wants to know about Biloxi, she calls me long distance. [Laughter and applause.]

National Commander **Meadows**. Bill, it is a great pleasure to make this presentation. Those statistics and all of those miles are certainly impressive. The hours certainly testify to the depth of your feelings to your obligation for the disabled veterans. It is a great pleasure to present to you the George H. Seal Memorial Trophy and thank you so much for your time. [Applause.]

Mr. **William R. Egan**. Gee, I'm sorry I can't kiss you! [Laughter.] In talking to a Vietnam veteran any time I am helping out the veterans at the VA hospital, one of them looked at me and he said, "Sir, what war were you in?" And I said, "Sir, I was in the Korean Conflict."

And he kind of looked at me and he said, "Gee, I read that in the history book." [Laughter.] So all the young commanders coming up now, the Vietnam veterans, I love to see the younger generation moving. God bless you all for setting me up for this, because actually I really don't deserve this since when I first started off as a volunteer at the VA hospital, I didn't do it to help the veteran.

You see, if I stay home, the wife would have worked me to death. [Laughter and applause.] So God bless you all and thank you very much. [Applause.]

National Commander **Meadows**. The adjutant will read the names of the convention committee advisers that I have appointed and who received the approval of the National Executive Committee at our most recent meeting. Mr. Adams.

National Adjutant **Adams**. The convention committee advisers are: Credentials, Boniface R. Maile; General Resolutions, Arthur Wilson; Legislation, James Cain and Charles Joeckel; Veterans Rights, Norman Hartnett; Subcommittee on Administrative Matters, William E. Gearhart; Subcommittee on Legislative Matters, John F. Heilman; Constitution and Bylaws, William G. Dwyer and Thomas Dehne; Finance and Dues, Paul Freeman and Charles Cryder; National Security, Marion Shoemake; Employment, Edwin A. Williamson and Ronald Drach; Medical Care Services, Stuart Cody; Membership and Volunteer Services, Edward E. Werner and Robert Whitmore; Nomination of National Officers, Harry E. Wentworth; Time and place, Charles Cryder.

Following recess of this afternoon's session, the districts will meet to elect members to the convention committees. We urge all delegates to be on time for their district meeting in order for your National Executive Committeeman to complete certain items of business that are necessary to the convention.

Those of you who are elected to convention committees are requested to be on time in the room assigned for your committee meeting. We urge that most of the committees will complete their work by Tuesday morning.

The first business session of this convention will begin promptly at 10 o'clock tomorrow morning. You are urged to be on time for this meeting as the important business of adopting rules for the convention, as well as approval by the convention of the Statement of Policy of the Disabled American Veterans, are necessary.

And a reminder also that the National Commander's Reception will be this evening in the Continental Ballroom from 7 to 9 o'clock.

[Miscellaneous announcements.]

National Commander **Meadows**. Thank you very much, Mr. Adams. Ladies and gentlemen, let me thank you for your attention and your courtesies during this first session. We appreciate the good attendance and the fine reception that you have given our guests. And now, if the national chaplin will come forward and lead us in prayer.

National Chaplin **Bergstrom**. May Almighty God bless us, bless our efforts this day and the days to come. Amen.

National Commander **Meadows**. The convention will be in recess until 10 o'clock tomorrow. Thank you very much.

[Whereupon, the meeting recessed at 3:40 p.m., August 13, 1978.]

FIRST BUSINESS SESSION

August 14, 1978

The first business session of the 57th National Convention of the Disabled American Veterans convened in the Continental Ballroom of the San Francisco Hilton Hotel, San Francisco, Calif., Monday, August 14, 1978, and was called to order at 10 a.m. by National Commander Oliver E. Meadows.

National Commander **Oliver** E. **Meadows**. Will the convention come to order, please. Please clear the center aisle. Will the officer of the day please post the Colors.

[Posting of Colors.]

National Commander **Meadows**. Senior Vice-Commander Billy Hightower will lead in the Pledge.

[Pledge of Allegiance led by Senior Vice-Commander Billy O. Hightower.]

National Commander **Meadows**. We will now be led in prayer by our national chaplain, Revered Carl Bergstrom.

National Chaplain **Bergstrom**. Let us pray: Our Heavenly Father, we ask Thy blessing this morning upon our country, the United States of America, and all those who dwell within its borders. We ask Thy special blessing upon the Disabled American Veterans members, the officers, that we fulfill our obligations this morning as good citizens of Thy Heavenly Kingdom, as citizens of the United States, and as members of the Disabled American Veterans.

May the work we do find pride for those who look upon us and the work we do inspire others to do likewise. Amen.

National Commander **Meadows**. When I spoke to you yesterday about professionalism and politics, we have a policy of the DAV of encouraging our people, our service officers and our members to participate in other groups, participate with other types of organizations and to broaden and contact the influence of the organization by dealing with other groups.

Now, we picked one of our special agents to infiltrate and take control of the Military Order of the Purple Heart. He is not unknown to you. He is a past national commander of this organization, and he comes to us wearing his other hat today, Douglas McGarrity, the national commander of the Military Order of the Purple Heart. [Applause.]

Mr. **Douglas H. McGarrity**. Thank you very much, Commander Oliver Meadows. National Commander Meadows, National Adjutant Denvel D. Adams, national officers of the organization, delegates to the 57th National Convention of the Disabled American Veterans: It is indeed an honor and a pleasure for me as the national commander of the Military Order of the Purple Heart to bring you the greetings of that organization.

I know from attendance at 30 national conventions of the Disabled American Veterans that this will again be a great and productive convention of this organization. During the past year it has been my privilege to cooperate closely with the Disabled American Veterans as the national commander of the Military Order of the Purple Heart, and I certainly express my sincere appreciation to National Adjutant Denvel Adams or the article that appeared in our magazine regarding my election.

It brought to our organization many applications for membership in the Purple Heart, for which we are thankful. During my term, I expressed to the members of the Military Order of the Purple Heart that all members of that organization are eligible for membership in the Disabled American Veterans, and many members have joined since that time, and we do have many members of the DAV in the Purple Heart.

I have expressed to everyone that it is important that we cooperate with each other, and that spirit of cooperativeness has been shown to me on many occasions. In Arizona, Colorado, and Michigan the Disabled American Veterans has opened its doors of their club houses to host the meetings of the Military Order of the Purple Heart, and likewise the MOPH has opened its doors to the DAV for meeting places.

I should tell you a little bit about the Purple Heart Medal, because it is the oldest decoration in the history of the United States, being awarded on August 7, 1782 by General George Washington. It is awarded to men and women—and that may surprise you, but I think in our midst this morning we have one lady from the State of Michigan, Marie Paisel, who was awarded the Purple Heart Medal as she was a nurse in the Philippines and was wounded in action there.

And we have many other men and many other women who are members of our organization, men and women who were wounded in combat against an enemy of the United States. The Purple Heart Medal was lost to history, all records of it, for 150 years, and it wasn't until 1932 that the records were rediscovered, and upon orders of President Herbert Hoover, the medal was reinstated and General Douglas McArthur, at that time, upon the orders of President Hoover, reinstated the Purple Heart Medal.

The Military Order of the Purple Heart was organized in Ansonia, Connecticut in 1932. We parallel many of the programs of the Disabled American Veterans; of course, on a smallre scale than you do, but we are proud of our activities in the hospitals, in the VAVS program and so many other programs.

We, too, have a national service officer program that complements the work of our own Disabled American veterans' activity. I cordially invite all of you to attend our national convention which will be held in Daytona Beach, Florida, beginning August the 23rd at the Daytona Plaza Hotel.

I thank you very much for the opportunity to bring the message of my organization to the delegates present here this morning, and I continue to assure you of the complete cooperation of our organization with the Disabled American Veterans. Thank you very much for this opportunity. [Applause.]

National Commander MEADOWS. In order for a delegate to be heard at this convention, he must be recognized by the Chair. Only those delegates at a microphone will be recongized. The delegate must state his name, chapter number, and the state he represents. The first order of business of this convention is the adoption of the rules. Printed copies of the proposed rules have been furnished to the registered delegates.

The Chair will now entertain a motion for the adoption of the rules.

Mr. EDWARD E. WERNER. Comrade Commander.

National Commander MEADOWS. Mike 1.

Mr. WERNER. Ed Werner, Department of Michigan, Chapter 113, moves that we accept the rules as printed and distributed.

National Commander MEADOWS. Do I hear a second?

Mr. SALTER. Comrade Commander, Salter, Newport News, Chapter 2 of Virginia, seconds that motion.

National Commander MEADOWS. We have a motion and a second for the adoption of the rules of the convention. All in favor, signify by——

Mr. P. D. JACKSON. Comrade Commander, we do get a little discussion, do we not?

National Commander MEADOWS. Would you like to talk?

Mr. JACKSON. Yes. [Laughter.]

National Commander MEADOWS. I recognize you.

Mr. JACKSON. Last year three or four districts did not get to vote on account of a certain rule that was adopted in the rules of the convention. These districts come here to vote. Now I would like to see—although it will cost the delegates a little more time and maybe a little more money, but at the same time, National Commander, I think all districts and chapters, states and chapters should be allowed to vote on a roll call without an interruption.

National Commander MEADOWS. Any further discussion? On the question. Those in favor, signify by saying Aye; those opposed, No. The motion is carried.

[Whereupon, the following rules were adopted]:

RULES OF THE NATIONAL CONVENTION AS ADOPTED AT SAN FRANCISCO, CALIF., AUGUST 1978

SECTION 3.10: RULES OF THE CONVENTION

Rule 1. Robert's Rules of Order, revised, will govern except as hereafter specifically stated.

Rule 2. For the purpose of recognition, a member of this convention must (1) stand, (2) address the Chair as "Mr. Chairman," (3) state his name and the chapter, department or title, and (4) shall proceed only after recognition by the Chair.

Rule 3. Debate shall be limited to five minutes for each speaker, except by a two-thirds consent.

Rule 4. Not more than two representatives from any one delegation shall be permitted to discuss any one subject, except by two-thirds consent.

Rule 5. Recognition shall be granted only once to any one speaker on any one subject. A rebuttal of not more than three minutes may be permitted. Additional recognition may be granted by two-thirds consent.

Rule 6. No person who has talked for or against any motion, resolution, or report on the convention floor shall be permitted to make a motion to table same. A motion to table is not debatable and shall require a two-thirds affirmative vote. A tabled motion may be taken from the table, for reconsideration, by a majority vote.

Rule 7. All resolutions will be submitted to the office of the national adjutant in triplicate, printed or typewritten form, signed by the sponsoring chapter, department, National Executive Committee or National Interim Committee not later than ten days prior to the opening of the national convention.

Rule 8. Composition of committee meetings: Each convention committee shall be composed of one member from each of the national districts and one member from the Blind Veterans National Chapter. No one chapter shall have its members appointed to more than one convention committee as long as there is any chapter in the district registered at the convention, which is not represented on any committee.

(a) Each National Executive Committeeman shall, on the day prior to the first day of the convention, have posted the time and place of the first meeting of the delegates in such district. Such meeting may be held on the day prior to the first day of the convention but must be held no later than 8:00 a.m. on the first day of the convention.

At such meeting, the delegates in each district shall, by a majority vote of those present and voting elect one member for each convention committee and shall, no later than 9:00 a.m. on the first day of the convention, advise the convention secretary of such election; otherwise, the national commander shall designate the membership of all such committees.

The presiding officer of the convention shall appoint an adviser of each convention committee, whose duty it shall be to call the first meeting of such committee as soon as possible, and also to receive resolutions pertaining to such committee. At the first meeting, the members of each such convention committee, except the Credentials Committee, shall elect their own permanent chairman by a majority vote.

(b) The national adjutant shall deliver all resolutions to the Committee on Assignment and Coordination for speedy reference to the appropriate convention committee. Resolutions shall be delivered or referred to the appropriate convention committee adviser by 3:00 p.m. on the first day of the convention, regardless of whether all districts have elected their members to convention committees so long as a majority of the districts have elected their members to convention committees.

The convention committees may meet and consider and act on resolutions starting with the first day of the convention, regardless of whether all districts have elected their members to such committees so long as a majority of the districts have done so. All resolutions on hand shall be referred as quickly as possible in accordance with the foregoing.

Rule 9. (a) No resolution can be discussed by the convention until the same has been reported by a convention committee, except by unanimous consent. Resolutions referred to, but not favorably reported by such committee, are in order and may be called up for consideration by proponents at the time a motion to discharge said committee is in order but before such motion to discharge said committee is considered.

(b) If the resolution under consideration relates to a change of the Constitution or Bylaws, it may not be considered unless the proponent had it read at the time the resolutions favorably reported by the Constitution and Bylaws Committee were read to the convention in accordance with Article 3.10, Rule 21(e).

Rule 10. Convention committees may originate such resolutions as they desire to sponsor, which pertain to the subject with which they are charged.

Rule 11. Each chapter delegation shall select a chairman, who shall announce the vote of the delegation. When the poll of any delegation is demanded by a delegate thereof, entitled to vote, the chairman shall poll the vote of such delegation without debate or discussion.

Rule 12. In viva voce voting on any subject before the convention, no person shall participate except fully accredited delegates, and alternates acting as delegates, who have registered and paid the registration fee. Visitors, other than voting members of the convention, shall be segregated.

Rule 13. In case any delegation is entitled to cast more votes than the number of delegates present, the vote of those absent shall be cast in the same proportion as the votes of those present.

Rule 14. Voting shall be viva voce, except when a roll call is demanded by the chairman or acting chairman of the convention, or by at least 25 delegation units, except in the case of the election of national officers; provided, however, that the election of a national officer may be made by viva voce when there is no contest. All roll calls shall be in the order as listed in the DAV Monthly.

Rule 15. Nominations for national officers shall be made by the Committee on Nomination of National Officers and from the floor.

Rule 16. Only one nominating speech and only one seconding speech shall be permitted for each candidate for an elective national office.

Rule 17. In the event more than two candidates are nominated for one office, the balloting shall continue until one candidate shall have received a majority of votes cast by the convention.

Rule 18. Discussion of personal grievances, local conditions, or claims concerning one individual only, with respect to his personal interest, shall not be in order before the convention, but may be discussed before the committees of the convention with the approval of the respective committees.

Rule 19. In conformity with the National Bylaws, the national officers shall serve as the officers of the convention. The national adjutant shall serve as the adjutant and secretary of the convention.

Rule 20. The national sergeant-at-arms shall be the sergeant-at-arms of the convention. He shall be assisted by assistant sergeants-at-arms, appointed by the national commander.

CONVENTION COMMITTEES

Rule 21. The following committees are hereby provided as the standing committees of the convention. They shall meet at the call of the convention, the national commander, the chairman of the committee, or the committee adviser. Each committee secretary shall notify all committee members, the Committee on Assignment and Coordination, and the national adjutant as to time and place of each meeting.

Each committee chairman shall report the conclusions of his committee in writing and return all resolutions to the Committee on Assignment and Coordination for the purpose of eliminating duplication and contradictions and for the purpose of having partial or final committee reports placed on the convention agenda.

Each committee chairman shall present his committee's report to the convention when called for by the Chair; the report to be signed by a majority of the committee. A committee adviser will be assigned to each committee, because of his knowledge of the subject under consideration. He is authorized to attend meetings of the committee and enter into committee discussions without the privilege of voting. He must attend the first meeting of the committee, and is subject to the call of the committee for advice or counsel.

(a) Credentials Committee: This committee, composed of one member from each of the national districts, shall in accordance with the provisions of these Bylaws and the Convention Rules determine the eligibility of all persons seated and voting in the national convention and shall specifically notify the convention and the delegates as to the number of votes to which each delegation shall be entitled.

(b) Committee on General Resolutions: This committee shall consider all matters which are not covered by the resolutions referable to other committees of this convention, and shall formulate and give expressions of thanks, appreciation and condolences, in resolution form, and shall consider housing problems as they may affect disabled veterans.

(c) Committee on Legislation: This committee shall consider all matters requiring legislative action, which are not covered by she resolutions referable to other committees of this convention.

(d) Committee on Veterans Rights: This committee shall consider all questions concerning compensation, pensions, legal and guardianship matters and appeals as well as all matters of policy and procedure with the Veterans Administration, and including problems involving war risk and NSL insurance resolutions or papers proposing legislation on any of these subjects will be considered within the province of this committee.

This committee will also deal with all matters in which other public and private agencies charged with the rehabilitation and improvement of the disabled veteran and his dependents are concerned. Upon organization, this committee shall be divided into two substantially equal subcommittees, one to consider administrative matters and the other those which require legislation. The report to the convention shall be made by the committee as a whole.

(e) Committee on Constitution and Bylaws: This committee shall give consideration to those resolutions which pertain to proposed additions, changes or amendments to the National Constitution, the National Bylaws, and the National Ritual, and also consider all matters relative to DAV Auxiliaries of the Disabled American Veterans.

All proposed changes, additions, deletions and amendments thereto, shall be read to the convention no later than the second day prior to the scheduled day of adjournment of the convention, and voting thereon shall begin the following day, except proposals referred to that committee by other convention committees too late for reading on that date or resolutions originating in the committee; such amendments may be read on the day preceding the scheduled day of adjournment, and voting thereon shall begin the following day.

(f) Committee on Finance and Dues: This committee shall consider those resolutions dealing with DAV finances and dues.

(g) Committee on National Security: This committee shall consider all matters referred to it which pertain to citizenship, Americanism, national defense and the security of the United States.

(h) Committee on Employment: This committee shall consider all matters with reference to all forms of employment of disabled veterans as well as preference rights in examination, appointments, retention, promotions or employment or reemployment rights in Federal Civil Service and in state, county and city governments. This committee will also consider matters relating to vocational rehabilitation, education and training, except those provided by Title 38, U.S. Code.

(i) Committee on Medical Services: This committee shall consider questions concerning the standards of medical care delivery by VA hospitals and outpatient clinics.

(j) Committee on Membership and Volunteer Services: This committee shall consider all matters concerning membership activities and eligibility requirements and questions concerning the DAV volunteer service program.

(k) Committee on Nomination of National Officers: This committee shall consider and present to the national convention a slate of candidates which it shall nominate for national officers.

(l) Committee on Time and Place: This committee shall give consideration to the resolutions submitted to it, and shall hear and give consideration to those invitations which may be submitted by delegations or cities for the DAV National Convention to be held three years subsequent to the current convention. The committee will present its findings to the convention which shall then make its recommendations to the National Executive Committee, which body shall have final approval of the selection of cities.

Rule 22. Accredited delegates or alternates or national officers may appear before any convention committee to argue for or against any resolution being given consideration, provided that they contact the chairman or secretary, and make an appointment for such appearance. All national elective officers and employees, and members of permanent convention committees are to be subject to call during committee sessions.

Rule 23. Committee advisers. The national commander, with the approval of the National Executive Committee, shall appoint the committee advisers referred to in Rule 21.

Rule 24. (a) Committee reports. Convention committee reports must be submitted resolution by resolution and not briefed to cover the entire report.

(b) The final report of the Credentials Committee, the report of the Committee on Nomination of National Officers, and the election of national officers designated in Article VII, Section 7.1 of these Bylaws, shall be, in that order, the first order of business at 10:30 a.m. on the last day of the convention.

Section 3.11. Amendment of rules. The foregoing rules of the convention may be amended by majority vote at the first business session of a national convention, notwithstanding anything contained in Section 17.4 to the contrary.

National Commander Meadows. The National Executive Committee at its most recent meeting approved a Statement of Policy which it recommends for adoption at this convention. In the way of explanation as to the need for this Statement of Policy, let me say that this organization is guided by the various resolutions which it adopts at its national convention, but obviously there cannot be a resolution covering every conceivable subject or peering into the future and recognizing problems that may come up that are now and then anticipated.

Therefore, we find it necessary to adopt a Statement of Principle, a Statement of Policy that outlines in broad terms the purposes of this organization, and many times your national officers, your legislative director and your representatives in Washington are required to consult this Statement of Policy for general guidance as to the position which they should take on questions that have not been anticipated.

This is an important statement of the basic policy of this organization. I would like to ask that the senior vice-commander, Billy Hightower read this policy before we vote.

Senior Vice-Commander **BILLY O. HIGHTOWER**. The Disabled American Veterans was founded on the principle that this nation's first duty to veterans is the rehabilitation of its wartime disabled. This principle envisions:

(1) High quality hospital and medical care administered by the Veterans' Administration for veterans with disabilities incurred in or aggravated by service in America's Armed Forces.

(2) Adequate compensation for the loss resulting from such service-connected disabilities.

(3) Vocational rehabilitation and/or education to help the disabled veteran prepare for and obtain gainful employment.

(4) Enhanced opportunities for employment and preferential job placement so that the remaining ability of the disabled veteran is used productively.

(5) Adequate compensation to the widows and survivors of veterans whose deaths are held to be service-connected under laws administered by the Veterans' Administration.

It therefore follows that we will not take action on any resolution that proposes legislation designed to provide benefits for dependents and survivors which is based upon other than wartime service-connected disability. We shall not oppose legislation beneficial to those veterans not classified as service-connected disabled, except when it is evident that such legislation will jeopardize benefits for service-connected disabled veterans.

While our first duty as an organization is to assist the service-connected disabled, his widow and survivors, we shall within the limits of our resources assist others in filing, perfecting, and prosecuting their claims for benefits.

Since this represents the principle upon which our organization was founded and since it is as sound at this time as it was in 1920, we hereby approve this principle as the policy for the Disabled American Veterans.

National Commander **MEADOWS**. This is the Statement of Policy adopted by your National Executive Committee and recommended to you for your consideration. The Chair will entertain a motion.

NEC, First District, **WALTER F. MORGAN**. Comrade Commander Morgan, NEC, First District, moves that the policy as just read be adopted for the coming year.

National Commander **Meadows**. Mike 1.

Mr. **James E. Tillman, Jr.**. Mike 1, James Edgar Tillman, Jr., respresenting the Blind Veterans, seconds the motion.

National Commander **Meadows**. We have a motion and a second for the adoption of the policy. Do I hear discussion? All those in favor of adopting the policy as read, let it be known by signifying Aye, those opposed, No. The Ayes have it and the motion is carried.

The next item of business is a partial report from the Credentials Committee. I will call on the chairman, Joe Shea, Department of North Carolina, to render the report.

Mr. **John J. Shea**. The National Convention Committee on Credentials was called to order at its first business meeting on August 14, 1978 at 8 a.m. by Committee Adviser Boniface Maile. The first order of business was the election of a convention chairman of the committee. John J. Shea, better known as Joe, was nominated for chairman. There being no further nominations, Joe Shea was elected chairman.

The next order of business was for the appointment of a secretary. Gene Twiford was appointed as secretary. The Credentials Committee met this morning at the San Francisco Hilton Hotel. Roll call showed 13 delegates and 7 alternates present.

This is a partial report for information purposes only and reflects. registration at the close of registration at 4 p.m. on August 13, 1978. At the present time we have 524 chapters, 43 departments, 20 national officers, 11 past national commanders, for a total of 1,279 delegates and 68 alternates, with a grand total of votes of 6,379 at this time.

This completes the partial report of the Credentials Committee. Commander Meadows.

National Commander **Meadows**. Thank you, Chairman Shea. We will hear the final report at a later time in the convention.

The next items on our agenda are important items. They go to the very heart of the purposes of this organization. We will hear a report by the director of legislation and a report by the national service director. The first report will be from the deputy director of legislation. I said yesterday, when I spoke to you, that I wouldn't deal in any considerable detail about matters that are progressing through the legislative channels, but I reserved that time for a more detailed report.

As you will see when Mr. Heilman makes his report, we do have a very active legislative program. Several of these pieces of legislation are considered to be breakthrough legislation because we have been working for a long time to achieve their passage, and I believe that now we are quite encouraged by the situation.

We had the unfortunate circumstance of our national legislative director having to retire, Bill Gardiner having to retire for poor health, but I do want to say at this time we greatly appreciate Bill Gardiner. The former legislative director that served this group for so long so well, Chet Huber, is here, and I would like to personally thank him for those long years of faithful and effective service.

I would like to say that we have in our Legislative Department now Vietnam veterans, younger veterans, veterans of Korea. I believe Mr. Heilman is a veteran of Korea service, but you will see their obvious youth, and I am greatly encouraged by the performance and the skills that these young men are demonstrating, and I feel good when I know that we have sound, intelligent, young and effective young people learning the legislative business and moving it so effectively in Washington.

It is a pleasure to present to you our deputy national director of legislation, Mr. John Heilman, for his report. [Applause.]

Mr. **John Heilman**. Let me say before I start, I must look older than I am because I am a Vietnam veteran. [Laughter.] National Commander Meadows, national officers, distinguished guests and delegates to this convention: On behalf of Bill Gardiner it is indeed a pleasure for me to stand here and deliver the annual report of the National Department of Legislation.

My remarks this morning will provide a fairly good general outline of our activities during the past 12 months, and I want to add that when your department and chapter officials return home from this convention, they will soon receive in the mail a very detailed report on the breadth and depth of our legislative activities during the past year.

I think I would like to state at the outset that upon assuming the office last year at the national convention in Las Vegas, and indeed continuing throughout this tenure, it seems to me that National Commander Meadows has been imparting two very important themes to us. He has been giving these messages to us, the DAV itself, and to those in Washington who are charged with the responsibility of creating and improving and overseeing and administering our system of benefits and services.

And I think the message, Number 1, is that—it goes something like this: Because our country today is in a vast state of political, economic, and social change, and because our nation is no longer at war and the ravages of war are no longer blatantly apparent to the American people, and because there will always exist those people who, for a variety of reasons would seek to diminish the special status that the veterans have always occupied in this country, because of all these things, we are going to find that it is more and more difficult to carry out the primary federal legislative mission of the DAV which is to, of course, advance the cause of the service-connected disabled veteran, his dependents and his survivors.

I think that is Message Number 1. And Message Number 2 is in our efforts to preserve, protect, and improve our system of benefits and services, we must base our position and the content of our legislative proposals on a foundation that simply goes something like this: It is the first and foremost obligation of this country in the field of veterans affairs to advance the condition and the welfare of the service-connected veteran, his dependents and his survivors.

And notwithstanding the needs of nondisabled veterans or nonservice-connected disabled veterans or even other groups in our society who may be disadvantaged for one reason or another, notwithstanding that, it is our duty and our responsibility to continually make the point to those in Washington who create and administer our programs that the service-connected veteran comes first. It is as simple as that.

And it has been this advice and this counsel that has guided our efforts during the past 12 months, and I believe because we have had that counsel and that advice we have achieved or will achieve some very concrete results.

Now, shortly after we returned from our Las Vegas convention last year, we secured the enactment into law of several major legislative objectives that had their inception and a major portion of their progress occurred during the tenure of Past National Commander Frank Randazzo, and those included the law that authorized the $312 million disability compensation DIC, the dependent parent DIC increase, a law that extended VA automobile and adaptive equipment award, finally, the qualified veterans from World War I and all qualifying veterans who served prior to World War II; an extension of VA special adapted housing benefits to service-connected veterans who suffered the loss of or loss of use of both one upper and one lower extremity, increasing that entitlement to this award; to secure enactment of a law that denied automatic entitlement to VA benefits for Vietnam Era deserters and others in that era who had received upgraded discharges out of a program that was created by President Carter.

We achieved enactment of a law that provided special incentive pay to VA physicians and dentists, and hopefully this will keep these highly qualified medical personnel in VA employment.

We also achieved enactment of a law—and I am sure that you will be interested in this—that would require that those VA employees who are involved in direct patient care in the medical care system be proficient or achieve proficiency in the English language.

And I just wonder if that law has filtered down to the hospital level.

And finally, we achieved enactment of a $500 million educational bill that provided very substantial increases in GI Bill and vocational rehabilitation subsistance and allowance benefits. All these measures were enacted into law following last year.

In January of this year, with the convening of the current session of Congress, our organization immediately became embroiled in an attempt to secure proper funding for the VA fiscal yare 1979. The Carter Administration, in its VA budget request, a terribly inadequate request, would have called for the elimination of over 3,000 hospital beds from our system.

They would drastically cut back and reduce VA medical and prosthetic research activity. They would have canceled previously authorized or proposed major and minor construction programs mainly in the hospital system. It would have called for a great number of reductions of VA employees, again mainly in the hospital system.

And finally, it would have provided insufficient funding for proper service-connected disability and death compensation increases in the coming year. Well, you are familiar with that struggle and the funding issue, and well you should be, because it was through your efforts across the country, and through the efforts of Congressman Ray Roberts in Washington that we were able to place back into the VA budget almost $2 billion to assure that our programs will be properly funded in the coming year.

We have been involved with other issues also on judicial review. We have introduced legislation in the Congress and testified in Congress to insure a proper outside-the-VA redress of claims for veterans who have had their claims denied in the VA appellate process.

Connected with this legislation, we are opposing a move to remove the present private attorney fee limitations that apply when a veteran has private counsel in his claim with the VA. If this were removed, there is no doubt in my mind that many veterans and widows would seek private legal counsel, perhaps unnecessarily, aud many of them would be overcharged for their services.

And the fact when you consider that annually there is $500 million or $600 million a year coming down to veterans and survivors in new and increased claims funding, you just think that private attorneys might get 10 percent of that figure or 15 percent of that figure, you could see that you would have twenty or thirty million dollars being diverted out of the pockets for veterans and survivors and orphans and into the pockets of the legal profession. We certainly don't think that is in order.

VA employment—being led by Ron Drach, the DAV has testified on numerous occasions before committees of Congress, introducing legislation in the Congress, all aimed at bringing the attention of the proper people in Washington on the Hill and in the Department of Labor and the VES on the deplorable high unemployment rate of veterans and especially disabled veterans.

And, of course, in this regard we are hopeful that we can stimulate the proper activity on the part of those who are charged with getting jobs for veterans to in fact carry out their mission.

Department of Education: There is legislation pending in the Congress that would create a new cabinet-level Department of Education, and our involvement with this matter is concerned with assuring that all VA educational programs remain there in independence, keep their independence and their integrity and stay within the Veterans Administration.

And I might add, as an aside, that Congressman Ray Roberts has obtained the personal commitment of President Carter that he does not wish to put any VA educational programs into his new Department of Education.

And we have been also involved with the issue of lobby reform which has not been widely publicized in our magazine because it does not directly affect you, our members, in terms of benefits. As you know, our office in Washington and our office in Cold Spring, Kentucky are registered as lobbyists, and we do submit a quarterly report to the Congress as required by law.

Well, there is a need for lobby reform. We are monitoring this legislation to insure that any new statute does not contain very complex detailed reporting practices and conditions that would infringe upon our First Amendment free speech rights and the rights of you, our membership, to petition our elected officials in Washington.

And finally, of course, we are in what we feel is the home stretch on the issue of veterans preference, and we are hopeful that we can keep the statutory veterans preference rights that we have for federal employment. And again you are thoroughly familiar with this issue.

You have been directly involved in it for a matter of months now. In Washington and in the House we have got Congressman Hanley and Congressman Gilman, two members of the House Post Office and Civil Service Committee. We have got virtually the entire membership of the House Veterans Affairs Committee on our side in this issue, and as you heard yesterday in the Senate we are being championed by Alan Cranston, a very important figure.

And with the combination of that help and aid in Washington and your support across the country, and just the basic merit of our cause, we feel that we can prevent an erosion in this major veterans benefit program.

And now I would like to just briefly give you a list of some of the legislation that is hanging fire right now, to be approved and passed by either or both the House and the Senate which contains many DAV issues.

Disability compensation increase: It looks like we might obtain, I should say will obtain a $384 million disability compensation DIC, dependent parent DIC increase, effective October 1 of this year.

Dependency allowances: On that score we feel that we can at last bring into dependency allowance entitlement the 40-percent service-connected veteran and perhaps at the same time achieve a very substantial increase in existing dependency allowances. We have been decrying this for some time now.

Triple amputees, another DAV initiative: Both Houses have passed a bill that would provide a special compensation increase for service-connected veterans who suffered the loss or loss of use of three extremities. Depending upon the size of the amputation and the level of the loss, these veterans would receive an increase ranging from some 11 to 13 percent on top of the increase that will affect us all.

Two-tier A&A dependent benefits: Both Houses have passed a bill that would provide a higher level of service-connected aid and attendant benefits for the very seriously disabled veteran, service-connected veteran, and we are speaking mainly about those veterans who have had spinal cord injuries such as paraplegics, quadraplegics.

They need a constant level around the clock, a constant level around-the-clock care. We are going to get them additional benefits. Perhaps we will get them out of the VA hospital system into a more enjoyable environment.

Presumptive DIC: At long last both Houses have agreed that there should be an organized entitlement for service-connected death benefits to the survivors of certain veterans who were 100 percent service-connected disabled at time of death. This is a long-time objective of our organization, and I truly believe we are on the brink of getting it right now.

Paired extremities, another important issue: Fairly low cost, but very important and very meritorious certainly to those who it would affect. If a veteran is service-connected with a loss of an extremity or the loss of use of an extremity and subsequently incurs the non-service-connected loss of a second paired extremity, he would get an additional increase in his compensation benefits because in fact he now has a total loss of function of either both arms or both legs that he would not have had had it not been for the original service-connected loss.

Automobile award increases: The Senate has passed a bill that would increase the automobile grant from its present $3,300 figure to $4,100.

Special adapted housing increase, the wheelchair home: Both Houses have passed a bill that would authorize a $5,000 increase in the specially adapted housing award. The Senate has passed a measure that would provide a substantial increase in the service-connected burial benefit allowance, pushing it from $800 to $1,500.

And the House has passed a bill that would increase the nonservice-connected burial allowance. From $250 for some 20 years the House would increase it to $350. All this legislation, as I said, has been passed by either the House or the Senate or both. This represents a total of over $735 million in increased benefit entitlement, and I am pleased to say that virtually all those dollars are directed at the VA beneficiary who we are most concerned with, the service-connected veteran, his dependents, and his survivors.

I think you will agree that we have been fairly successful this past year, and there are a lot of people in our organization who deserve credit for that success. First and foremost is National Commander Oliver E. Meadows. It would be superfluous for me to reiterate what has been said time and time again here at this convention and throughout the year.

Oliver Meadows is the most knowledgeable man in veterans affairs, the most respected man in veterans affairs in these United States. We are indeed fortunate to have Oliver at the helm of our organization this past year. He directly involved himself continually in our legislative activities.

And, from the content of the report, you can see the results that were obtained because of that.

Credit should be extended to the line officers of our organization who responded efficiently and without hesitation to every request that Oliver placed upon them. Dale Adams and our staff at National Headquarters have always been firmly behind the legislative efforts of this organization, and this year especially directly involved themselves in several of the issues, especially veterans preference.

Gabby Hartnett and his immediate staff in Washington, D.C. again have continually worked with us all through the year on all of these issues, and especially the veterans preference played a leadership role on this very important issue.

Ron Drach, as I said, knows what he is doing in terms of veterans employment. He has been our spokesman on the Hill, and he has directed a lot of sunshine on the Department of Labor and VES, and if things do pick up for the employment, the employment picture for veterans across the country, a large measure of that credit can be given to Ron Drach.

And I also want to say that your department officials and your national service officers in your states have been involved with us throughout the year. You may not know it, but several of your department commanders and several of your national service officers in various states have testified before Congressional field hearings that were held throughout the year on subjects such as judicial review, unemployment of veterans and the VA hospital program.

And I also want to mention, as did Oliver, that you can thank and give credit to men like Chet Huber and Bill Gardiner with the fact that over a decade they have built up a reputation of the DAV in Washington to where it is today, and it is a good reputation.

And finally I think if I were in your shoes and I was sitting out there and I wanted to thank somebody, I would pat myself on the back and then turn to the fellow sitting next to you, and I would shake his hand because, believe me, without your direct involvement, your concern, your response, and your activities, the report that I just gave this afternoon would have been sorely diminished.

And I think I truly understand now that the office, the reason for the title of the office that I work in, the National Department of Legislation, is not because it is located in our nation's capital in Washington, D.C., but because truly do have a national legislative effort. It is a team effort all the way.

That is the way it has been this year and that is the way it should continue. That concludes my report. Thank you. [Applause.]

[The following written report was submitted by Mr. William B. Gardiner:]

National Commander Meadows, distinguished guests and delegates to this national convention: It is with distinct pleasure and a deep sense of pride that I present to this 57th National Convention of the Disabled American Veterans the annual report of the National Department of Legislation.

I am pleased to be able to report to you that the primary legislative mission of the DAV—to protect, expand and improve the federal system of benefits and services available to America's wartime service-connected disabled vererans, their dependents and survivors—has been pursued with vigor and effectiveness during the 12 months that have elapsed since our last national convention.

In the fall of last year, we achieved the enactment of legislation that brought to fruition important DAV initiatives relating to several major VA benefit programs. Beginning early in 1978, and continuing at the present time, our organization has also been forced to take decisive action on a variety of legislative proposals that have broad, long-range implications and could, depending on their outcome, either enhance or impair our entire system of veterans benefits and services.

And, of course, we are currently in the process of working towards Congressional passage of several important DAV legislative mandates. A number of bills relating to DAV objectives have received favorable action by the Congress this year. Enactment into law of these measures—and we are greatly encouraged by the progress they have made thus far—would indeed give our organization the right to claim a "banner legislative year" in 1978.

As an indication of the breadth and depth of DAV legislative activity during the past year, consider the fact that our organization has made a record 30 separate presentations to committees of the U.S. Congress in support of our goals and/or in defense of our benefit programs. In addition to myself and staff, National Commander Meadows, Service Director Hartnett and Employment Director Drach have all, on occasion, been the DAV spokesman in the Congressional hearing process.

My office in Washington has also called upon DAV national service officers and DAV department officials to act as our spokesman during field hearings that have been conducted by the House and Senate Veterans Affairs Committees. All have responded unhesitatingly and with effectiveness to these requests.

But of course, the intensity and extent of our legislative efforts could best be told by you, the DAV and Auxiliary membership. For it has been at your grassroot level that we have seen the most dramatic increase in activity.

Never before have you been called upon with such frequency to supplement and strengthen our efforts on Capitol Hill.

And you have been successful! Were it not for the fact that you enable the National Department of Legislation to deal from a position of strength, the content and quality of the following annual report would be sorely diminished.

Major Veterans Legislation Enacted Immediately Following the Las Vegas National Convention

PUBLIC LAW 95-116—WORLD WAR I AUTOMOBILE & ADAPTIVE EQUIPMENT AWARD ACT OF 1977, APPROVED OCTOBER 3, 1977

This very equitable DAV-sponsored proposal—Resolution No. 134—provided entitlement to the VA's Automobile and Adaptive Equipment Award to all qualifying veterans whose military service occurred prior to September 16, 1940.

The automobile award, consisting of a one-time automobile purchase grant of $3,300, and continuing VA reimbursement for the cost of adapting and maintaining necessary vehicle modifications, had previously been authorized for those who suffered the service-connected loss or loss of use of one or both hands or feet or blindness, but only to such veterans whose service occurred during or after World War II.

Thus at a first-year cost of approximately $3 million, this liberalization favorably affected those service-connected disabled veterans—including World War I veterans—who had long been precluded from automobile award entitlement.

PUBLIC LAW 95–117—VETERANS DISABILITY COMPENSATION & SURVIVORS BENEFITS ACT OF 1977, APPROVED OCTOBER, 3, 1977

This measure, effective October 1 of last year, provided some $312.5 million in increased benefits in the following manner:

(1) A 6.6-percent increase in VA service-connected disability and death compensation benefits—including the statutory awards (excepting the "K" award) and dependency allowances which apply to the two programs (Resolution No. 53).

(2) An increase in the VA's annual clothing allowance from $190 to $203 per year (Resolution No. 85).

(3) Extension of eligibility to VA special adapted housing benefits (wheelchair home grant) to permanently and totally disabled service-connected veterans who have suffered the loss, or loss of use of, both one upper and one lower extremity (Resolution No. 176).

(4) The authorization of direct deposit of VA benefit checks in banking facilities and payment of VA benefit checks on preceding Fridays when the first day of a month falls on a weekend or legal holiday.

PUBLIC LAW 95–126—"UPGRADED DISCHARGE" VA BENEFIT ENTITLEMENT ACT APPROVED OCTOBER 8, 1977

Supported by the DAV, this law denied automatic entitlement of veterans benefits to certain persons who would otherwise become so entitled by virtue of the administrative upgrading of other than honorable discharges for service during the Vietnam Era.

It allowed certain benefit entitlement to such veterns, but only if the upgrading of the discharge was based on a case-by-case review of all evidence, using standards which are generally compatible to all persons (of prior wars) seeking a post-service administrative change of discharge (Resolution No. 229).

PUBLIC LAW 95–201—EXTENSION OF VA PHYSICIANS AND DENTISTS PAY COMPARABILITY ACT OF 1975, APPROVED NOVEMBER 23, 1977

At a first-year cost of some $3.9 million, this measure:

(1) Extended until September 30, 1978, the authority of the VA Administrator to provide special pay and incentive pay to physicians and dentists employed by the Veterans Administration (Resolution No. 105).

(2) Prohibited the VA Administrator from hiring any individual to work in a medical area requiring direct patient care contact unless that individual possesses basic proficiency in spoken and written English to a degree that will permit satisfactory communication with VA patients (Resolution No. 429).

PUBLIC LAW 95–202—THE GI BILL IMPROVEMENTS ACT OF 1977 APPROVED NOVEMBER 23, 1977

At a first-year cost of $510 million, this law authorized:

(1) Effective October 1, 1977, a 6.6 percent increase in the educational subsistence allowances of veterans in training under the GI Bill Program (Chapter 34, Title 38, USC), the Vocational Rehabilitation Program (Chapter 31, Title 38, USC) and of dependents and survivors in training under the Widows and Orphans Educational Assistance Program (Chapter 35, Title 38, USC).

(2) The institution of a VA Direct Loan Program—of up to $2,500 per year—for full-time GI bill trainees attending "high-cost" schools, and providing under certain conditions for a possible waiver of repayment of two-thirds of the original loan.

(3) The extension of the period of time a GI bill veteran or eligible spouse has to use their educational benefits when they have a mental or physical disability, not the result of their own misconduct.

(4) The creation of a more extensive program of VA educational and vocational counseling services for eligible veterans.

(5) The undertaking of a VA study directed at how to improve the Vocational Rehabilitation Program for disabled veterans.

PUBLIC LAW 95-204—VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1977 APPROVED DECEMBER 2, 1977

At a first-year cost of $166.7 million, this law provided:

(1) Effective January 1, 1978, a 6.5 percent increase in the monthly rates of dependent parent DIC benefits.

(2) Effective January 1, 1978, a 6.5 percent increase in the monthly rates of VA nonservice-connected pension and death pension benefits.

DAV Legislative Activities in the Second Session of the 95th Congress, January 1 Through July 31, 1978

VA FUNDING FOR FISCAL YEAR 1979

Upon the convening of the Second Session of the 95th Congress in January of this year, the DAV became immediately embroiled in the issue of proper funding of VA benefits and services for fiscal year 1979 (October 1, 1978 through September 30, 1979).

The Carter Administration, in the form of its VA budget recommendations, asked the Congress to approve a level of funding that our organization regarded as being woefully inadequate. For example, the Carter VA budget request recommended:

(1) A reduction of 667 employees in the Department of Veterans Benefits.

(2) A reduction of 3,132 operating beds in the VA hospital system, with a corresponding loss of some 1,500 employees.

(3) Elimination of 64 medical research projects in 35 states with a corresponding loss of some 245 employees.

(4) Abandonment of 35 major construction projects in 21 states—including a previously authorized 480-bed VA hospital in Camden, New Jersey—with the loss of some $236.5 million in facility improvement funds.

With respect to VA health care allocations, we felt the Administration request fell some $408 million short of assuring that our nation's veterans would continue to receive quality medical care.

Also, the Administration advanced a series of unrealistic cost-saving legislative proposals in other benefit programs which, together with their low projections for 1978 compensation and pension adjustments, amounted to an additional $995 million shortfall.

By March of this year, the House and Senate Budget Committees had placed over a billion dollars back into the original VA request. However, as the VA figures were so low initially—$929 million of the President's original request was for "re-estimates" of current program costs—there still remained a severe lack of funding. Unless the Congress took additional action, important DAV compensation initiatives pending in the House and Senate Veterans Affairs Committees faced possible pass over.

For these reasons, Ray Roberts, chairman of the House Veterans Affairs Committee, decided to take the issue to the floor of the House and offer an amendment to the First Concurrent Resolution on the Budget that would place an additional $1.1 billion into VA FY '79 expenditures.

Mr. Roberts made this decision some two weeks prior to the vote on the Budget Resolution—too little time to wage a traditional grass-roots letter-writing campaign. DAV action,therefore, would have to be in the form of immediate personal contacts by phone and visit.

A Legislative Bulletin calling for just such a campaign was sent to all DAV national service officers and all DAV/Auxiliary department and chapter officials. An intensive two-week campaign of personal contacts directed at the House of Representatives was requested, capped by a "Phone the Hill Day" on May 1, two days before the Budget Resolution vote.

Your response was truly outstanding and was directly responsible for the overwhelming acceptance of the Roberts Amendment by a vote of 362 in favor of 33 against. The Roberts Amendment was the only Budget Resolution Amendment adopted on a day that saw Health, Education, and Welfare and Department of Defense funding increase attempts go down in defeat.

Congressman Roberts had this to say to National Commander Meadows concerning the DAV effort: This was a tough fight and not as easy as the vote may indicate. It took a lot of people, working together. None was more effective than you and your organization. Your Washington legislative staff was magnificent.

They literally deluged the Congress with contacts asking for support of my amendment. It was most effective, and I thank you for the committee, for myself and for veterans everywhere.

This issue has not yet been fully resolved, for though the target ceiling in the First Concurrent Budget Resolution now exceeds the President's original funding request by some $1,700,000, there still remains to be made a finalized decision by the House and Senate Appropriations Committees on the actual funding of the VA for fiscal year 1979.

Appropriations bills, which actually stipulate the amount of federal revenues to be appropriated and set aside for the VA, must be passed by the Congress and signed into law each year, Thus, while our victory with the First Concurrent Budget Resolution was an important, essential step in assuring adequate VA funding, its ceiling figure ($21.7 billion) need not necessarily be fully implemented by the Appropriations Committees.

The DAV has testified before both the House and Senate Appropriations Committees in an effort to insure that their recommendations do indeed match the ceiling figure contained in the Budget Resolution. The appropriations bills will most likely be finalized in late August of this year.

VETERANS PREFERENCE

The second major issue carrying broad implications for the future integrity of our system of benefits and services (with which the DAV has been heavily involved in 1978) is the issue of retaining veterans preference in federal employment.

Earlier this year, the Carter Administration submitted two bills to the Congress (H.R. 11280 and S. 2640) entitled the Civil Service Reform Act of 1978. Heralded as a major initiative that would revitalize and "cure the ills" of our vast Civil Service system, the "reform" proposal contained language that would drastically downgrade and reduce the current use of veterans preference in federal employment (as set forth in the Veterans Preference Act of 1944).

While the DAV agrees in principle that reform of the Federal Civil Service system is desirable, we do not believe that such reform should be achieved at the expense of employment opportunities for veterans. We especially take exception to the Administration claim that this downgrading in veterans preference is necessary in order to permit employment of women and minorities in the federal government, as well as to promote efficiency and higher quality in the Civil Service system itself.

The major (and objectionable) veterans preference provisions contained in the Administration proposal as submitted to the Congress were as follows:

(1) The limitation of use of the five-point preference for nondisabled, nonretired veterans to ten years from date-of-service discharge (currently veterans enjoy lifetime use of this preference).

(2) The limitation of reduction-in-force protection (now absolute) for five-point veterans to three years from date of appointment, plus five years "credit" for active military service.

(3) Expanding the "list of three" to a "list of seven" and calling for "category ratings" of eligibles on the register (which would facilitate the noncompliance with veterans preference).

(4) Elimination of the five-point veterans preference for nondisabled, retired members of the Armed Forces who hold a rank equivalent to major and above, and limitation of the use of the five-point preference for those nondisabled retirees below the rank of major to three years from service discharge.

(5) Replacing the U.S. Civil Service Commission (the supposed "watchdog" agency which now oversees and offers redress for employment violations) with an Office of Personnel Management (OPM) and allowing such agency to delegate important personnel (hiring) functions to individual agency heads.

(6) Giving the Office of Personnel Management broad authority to prescribe regulations concerning the referral of preference eligibles to appointing authorities.

Though the Administration bill did not propose to change the ten-point preference held by disabled veterans, there was no doubt in our minds that the DAV could not afford to acquiesce on the issue of veterans preference for the nondisabled. The basic issue was not only just retaining the five-point preference, but preventing the first successful erosion of a major veterans benefit program which could pave the way for and encourage future encroachments in many other areas.

(Ironically, hardest hit by the Administration proposal would be the Vietnam Era veteran—ostensibly the veteran whom the Carter Administration claims it is most interested in aiding and supporting.)

The Civil Service reform legislation was referred to the Senate Governmental Affairs Committee and the House Post Office and Civil Service Committee, hearings were held and the DAV (witness Service Director Harnett) did testify, and strongly opposed the veterans preference changes.

The Senate Committee completed its action on S. 2640 and deleted all the veterans preference provisions from the bill. Hopefully, the vote on the Senate floor will sustain this committee action, as well as accept an amendment to be offered by Senator Alan Cranston that will propose to strongly strengthen existing veterans preference laws for the ten-point disabled veteran. Senator Cranston has also vowed to oppose any attempt by Administration supporters to place any of the adverse five-point veterans preference provisions back in the bill.

Thus, with the all-important aid of Senator Cranston, the DAV is hopeful of achieving a Senate version of the Civil Service reform bill that retains existing five-point veterans preference law and strengthens that portion of the law which applies to the ten-point disabled veterans preference eligible.

House action has been much more complex and, from our standpoint, much less favorable.

The DAV position in the House is being voiced (at our request) by Congressman Jim Hanley, a ranking Democratic member of the House Post Office and Civil Service Committee.

During House Committee action, Congressman Hanley offered an amendment to retain veterans preference as it currently is. Despite an intensive effort on the part of the DAV in Washington and our membership in certain key states across the country, the Hanley Amendment was defeated in committee—mainly because of an allout lobbying effort on the part of the Carter Administration, led by Civil Service Commissioner Alan Campbell himself.

The House Committee did water down the original veterans preference provisions somewhat, mainly through the authorization of a "one-shot use" of the five point preference during the first 15 years following service discharge. However, despite this and other minor changes, the House version, at this time, still represents a substantial diminishment in a major veterans program.

Notwithstanding this setback in the House Post Office and Civil Service Committee, Congressman Hanley has stated that he will offer his amendment when H.R. 11280 comes to the House floor. The DAV is presently in the process of waging an intensive nationwide campaign in support of Mr. Hanley's Amendment. With the aid of our membership and sympathetic friends in the House, we are hopeful that the Hanley Amendment will be accepted and current veterans preference law and regulation maintained.

OTHER MAJOR ISSUES

In addition to our lengthy involvement with the VA funding and veterans preference issues, the DAV has been quite active in a number of other important areas.

National Academy of Sciences study

The DAV was outspokenly critical of the controversial study of the VA hospital system conducted by the National Academy of Sciences. Directed by the Congress (in Public Law 93-82) to conduct in-depth research on the staffing and personnel needs of the VA hospital system, the Academy chose to ignore its Congressional mandate and instead, last summer, issued a lengthy, unwarranted indictment of the entire VA hospital system. Their ultimate recommendation was that the VA hospital system should be integrated into a future program of National Health Insurance.

The DAV, with National Commander Meadows leading the way, castigated the Academy for its dismal research contribution. The study, if anything, at least provided a powerful reminder that we must be continually on guard against those who would dismantle and dilute the VA health care system, negating its current status as being the sole federal provider of medical care for America's veterans.

Judicial review

In field hearings conducted throughout the country and hearings held here in Washington, D.C., the DAV advocated the creation of an Independent Court of

Veterans Appeals as a means to provide outside (the VA) redress for veterans whose claims have been denied in the VA adjudication/appellate process.

The DAV did not support judicial review in the manner proposed by Senator Gary Hart (Democrat-Colorado), which is to bring veterans' claims into the Federal District Court system. We also strongly oppose one other aspect of the Hart bill, that of removing the current attorney fee restrictions which apply when private attorneys represent veterans before the VA.

Judicial review legislation will not be acted upon by the Congress this year, but it undoubtedly will be the subject of future Congressional consideration in 1979.

Veterans employment problems

The DAV, led by the expertise of National Director of Employment Ron Drach, has repeatedly testified before committees of the Congress in an attempt to find solutions for the high unemployment rate of disabled veterans. Our organization, through advocating the transfer of the Veterans Employment Service out of the Department of Labor and into the Veterans Administration, has at least succeeded in gaining the attention and commitment of the Congress to focus in on this important issue.

Without question, DAV criticism was at least partially responsible for the recent "shake up" of high-level VES personnel. Hopefully, this leadership change in the VES will be followed by intensified, sincere efforts by that agency to reduce the unemployment rate of veterans.

VA medical care in the Philippines

In testimony before the House and Senate Veterans Affairs Committees, the DAV strongly supported continuation of current VA medical care benefits and services administered in the Republic of the Philippines. Our organization does not believe, as does the General Accounting Office and some members of Congress, that those brave Philippine soldiers who fought by our side in Old Scout and guerrilla units during World War II should now be forgotten.

Department of Education

The Congress is presently considering Administration legislation that would create a new cabinet-level Department of Education. Though not a "veterans issue," the obvious concern of the DAV is to protest and maintain the integrity of all VA educational programs.

To that end, we have studied the pending legislation and, with one exception which we have brought to the attention of the House and Senate Governmental Operations/Affairs Committees, we are satisfied—at least for the moment—that VA educational programs will remain intact and separate should this legislation be enacted into law.

Congressman Ray Roberts has sought and obtained the personal assurance of President Carter that his Administration does not intend to place VA educational programs into the new Department of Education.

Lobby reform legislation

Both Houses of Congress have been active on legislation that would amend the Federal Regulation of Lobbying Act of 1946. Our organization is registered as a "lobbyist" under the current Act and this office in Washington as well as our National Headquarters in Cincinnati does file quarterly lobbying reports with both the House and Senate.

Our attention has been focused on this issue in order to assure that any new lobbying statute does not require reporting procedures that are too restrictive or that would infringe upon the First Amendment, free speech rights of our organization and our national membership. To achieve these ends, we have been in contact with both the House and Senate Congressional Committees which are handling this legislation.

PENDING LEGISLATION

This final portion of my annual report deals with some of the major veterans legislative measures that are presently pending in the Congress and which have received some type of favorable action by the House and/or Senate Veterans Affairs Committees. Several of these measures, as you will note, are identical or similar to objectives presently contained in our Annual Legislative Program.

Disability compensation and related benefits

Disability compensation increase.—Both the House and Senate Veterans Committees have taken action on legislation calling for an increase in VA service-connected disability and death compensation benefit rates. The House has passed a measure proposing a 6.5 percent increase effective October 1, 1978.

The Senate Committee, in recent action, ordered reported a bill that calls for a 7.3 percent increase. We anticipate that the House Committee, which acted several months before the Senate Committee, will accept the 7.3 percent figure. The estimated first-year cost for such a compensation increase would be $381 million.

Dependent parent DIC increase.—The House has passed a bill authorizing, effective January 1, 1979, a 6 percent increase in the benefit rates of dependent parent who lost a son or daughter as the result of a service-connected disability. The estimated first-year cost of this measure is $3.7 million. The Senate Committee proposes to increase these benefit rates in a provision of their pension reform legislation.

Dependency allowances.—Responding to a bill introduced at DAV request, the House of Representatives has voted to authorize VA dependency allowance payments to veterans who are service-connected at a rate of 40 percent or more (current law extends dependency allowances to 50 percent service-connected disabled veterans). The first-year estimated cost of this measure is 50.4 million.

The Senate Committee has not taken action on similar legislation; however, they have reported a bill that would substantially increase existing dependency allowances—almost doubling the amount presently received. The estimated first-year cost of the Senate proposal is $252 million.

We hope to achieve passage of both bills, either fully or in some modified version.

Increase for triple amputees.—Both Veterans Committees have accepted and acted upon a DAV proposal to provide special compensation increases for service-connected veterans who have suffered the loss, or loss of use of, three extremities. Depending upon just where these veterans are placed in the special statutory category ratings, the increases received would range from 11 to 13 percent. The first-year cost of this measure is $2.5 million.

New aid and attendance rate for seriously disabled veterans.—Both committees have acted on legislation that would authorize a new "two-tier" aid and attendance benefit rate for seriously disabled service-connected veterans. The new rate would provide a higher level of benefit payment for those veterans who require "constant," around-the-clock acre and supervision. The estimated first-year cost of this legislation is $12 million.

Presumptive DIC entitlement.—Both committees have taken favorable action on legislation that would authorize automatic entitlement to service-connected death benefits (DIC) to certain eligible survivors of veterans who are 100 percent service-connected disabled at time of death.

Presently the House and Senate versions differ, mainly regarding the length of time the total disability must have been in effect in order for the spouse to become eligible for the automatic presumption. The House bill sets this length-of-time criteria at ten years, while the Senate uses a 20-year figure.

We have been working intensely on this issue and are hopeful to obtain a good, meaningful presumptive DIC proposal during the "reconciliation of differences" process that will occur between the two committees. The first-year cost of this legislation, long sought by the DAV is a modest $1 million.

Paired extremeties.—Both the House and Senate Veterans Committees have acted favorably on legislation that would provide increased compensation benefits to service-connected amputee veterans who subsequently incur (through non-service-connected means) the loss, or loss of use of, a second paired extremity.

The House of Representatives passed its paired extremity bill in May of last year. The Senate Committee took no action last year and was "reluctant" to act this year until the DAV, with the important aid of Senators Jennings Randolph and Strom Thurmond (and the aid of the West Virginia and South Carolina DAV Departments), was able to convince the full committee of the merits of this legislation.

Again the House and Senate differ upon their approach and extent of increased benefit entitlement to these amputees; however, we are again hopeful of achieving an acceptable finalized version during the committee reconciliation process. The estimated first-year cost of this legislation is less than $1 million.

Automobile award increase.—The Senate Veterans Committee has ordered favorably reported a bill that would increase the one-time vehicle purchase grant of the VA's automobile and adaptive equipment award from its present $3,300 to $4,100. The House has not taken action on a similar bill. The estimated first-year cost of the Senate proposal is $1.5 million.

Housing legislation

Both committees have taken favorable action on VA housing legislation that would:

(1) Increase from $25,000 to $30,000 the maximum housing grant under the VA's Special Adapted Housing Program (wheelchair homes.) The estimated first-year cost of this measure is $4.4 million.

(2) Increase the VA loan guarantee for conventional housing from $17,500 to $25,000.

(3) Reduce from 181 days to 90 days the active duty service requirement for VA home loan eligibility purposes for Vietnam Era veterans (bringing it in line with that which applies to World War II and Korean Conflict veterans).

(4) Provide improvement in the VA's Home Loan Program for mobile homes.

Cemeteries and burial benefits

Burial allowance increase.—The House Committee has taken favorable action on a bill to increase the present VA burial allowance for nonservice-connected death from $250 to $350. The estimated first-year cost of this measure is set at $31 million.

The Senate Veterans Committee has not taken any action on similar legislation; however, it has proposed to increase the burial allowance for service-connected deaths from its present $800 figure to $1,500. The estimated first-year cost of the Senate proposal is $7.7 million.

State plot allowance.—The House has passed a bill that would authorize a $150 plot allowance to be paid to states (or their political subdivisions) as reimbursement for funeral expenses incurred when a veteran is interred in a state veterans cemetary.

Senate action on similar legislation is a fair possibility. The estimated first-year cost of this measure, which should induce states to construct, expand and improve their own state veterans cemeteries, is less than $1 million.

Unrecoverable remains and Vietnam Memorial at Arlington.—Both committees have also taken favorable action on legislation to authorize that a VA memorial grave marker may be provided (for placement in a national cemetery) to the survivors of a veteran who died while not on active duty and whose remains are not recoverable. The committees also agree on legislation to provide a Vietnam Veteran Memorial Plaque and appropriate display in the Memorial Amphitheater at Arlington National Cemetery.

Other pending bills.—The DAV has also testified in support of legislation on the following subjects which, we hope, will be favorably acted upon by both committees:

(1) The extension of VA dependents medical care benefit entitlement (CHAMPVA) to the eligible dependents of veterans service-connected disabled at a rate of 80 percent or more.

(2) The extension of VA dental care treatment on an out-patient basis for veterans who are 100 percent service-connected disabled.

(3) The extension of widows and orphans educational benefit entitlement (Chapter 35, Title 38, USC) to the eligible dependents of veterans service-connected disabled at a rate of 80 percent or more.

Pension reform legislation.—Finally, I wish to report that nonservice-connected pension and death pension reform legislation will be enacted by the Congress this year.

Both the House and Senate have approved pension reform bills which will link future pension increase to an automatic formula triggered by increases received in Social Security benefits. Under the formula, no veteran or spouse would receive a reduction in pension benefits due solely to an increase received in Social Security benefits. On the contrary, both pension and Social Security increase would be received in full.

There are differences contained in the House and Senate versions; however, these differences are not substantial and the main one centers on the amount of the new benefit rate to be paid to veterans and their survivors. The cost estimate for the House pension reform bill in the first year is approximately $900 million, while that of the Senate is placed at approximately $600 million.

This concludes my annual report. I trust you will agree the 12 intervening months since our last national convention have been productive ones for our organization. We have achieved, or nearly achieved, many of our major legislative goals. Also, I believe we have successfully performed our "watchdog" role with respect to our federal benefit system.

There are many persons who were associated with our legislative activities and who deserve recognition and credit for their vital contributions.

The vast majority of the Congress, especially those members and professional staffs of the House and Senate Veterans Affairs Committees, have again demonstrated their genuine concern for the welfare of all veterans and, in particular, the disabled veteran. This, of course, is due in large measure to the fine and able leadership of the two Veterans Committees' chairmen, Congressman Ray Roberts of Texas and Senator Alan Cranston of California.

My sincere thanks are also extended to the National Legislative Interim Committee, the National Executive Committee, all department and chapter legislative chairmen and, of course, to the backbone of our organization—the individual DAV and Auxiliary member. Without the commitment, concern and active participation on the part of our national membership and its ladies Auxiliary, the legislative successes achieved by our organization would be greatly diminished.

Recognition is also extended for the invaluable aid rendered by National Adjutant Dale Adams and his headquarters staff, National Director of Service Gabby Hartnett, his immediate staff and nationwide corps of national service officers, and the office of our national employment director, headed by Ron Drach. As indicated throughout this report, the legislative activities of our organization this year have indeed been a "team effort."

Finally, my thanks and sincere appreciation are expressed to our National Commander Oliver E. Meadows. We have indeed been fortunate these last 12 months in having a man of the high caliber and stature of Oliver Meadows leading our organization.

His knowledge and expertise in the area of veterans affairs are widely renowned and recognized on Capitol Hill and, indeed, throughout Washington. Undoubtedly, many of the DAV legislative successes achieved during the past 12 months can be directly attributed to the ability, counsel and leadership of Oliver E. Meadows. I thank you.

Mr. James E. Tillman. Jr. Commander Meadows, please. May I make a recommendation that——

National Commander Meadows. I recognize mike 1.

Mr. Tillman. Mike 1, Tillman. Thank you, Commander. I would like to——

National Commander Meadows. Please state your name.

Mr. Tillman. I would like to thank the comrade for making——

National Commander Meadows. Please state your name and identify yourself.

Mr. Tillman. James Edgar Tillman, Jr., representing Florida. Being as I volunteer my services to Bill Lockwood, our House of Representatives, I would like to make a motion and thank the legislative director at this time.

National Commander Meadows. In a moment I will ask for a motion for the adoption of this report. I am happy to say to you that I believe the Legislative Department of the Disabled American Veterans is recognized as the outstanding organization of this type among veterans groups in Washington. It does have a reputation for objectivity, for splendid research, for a fair approach to issues, and it is a reputation, as Mr. Heilman indicated, that was built over long years of effort on the part of a lot of people.

But, it is a great asset to this organization the fact that its people are respected and received and listened to in the Halls of Congress, and that is the direct result of the efforts of the staff in Washington. I spoke to you yesterday about intellectualism. It is a great necessity for an effective, intelligent, sober approach to these issues that we must deal with in the higher councils of government, and our Department of Legislation has it.

It is improving it every day. If you read the statements of these representatives of ours that go before the various committees, it would be readily apparent to you. It is true that the Department of Legislation in Washington can do practically nothing without effective backup from the field.

I said yesterday that we should improve our practical political approach, and we want to deal with you in your departments and chapters more specifically on this point, because that is really the only way that we can achieve these results that have been related to you; that is, through effective effort.

We have had some very effective responses from those that we called upon during this last year in special situation. In this field of legislation there are always a few key personalities. Very, very few decisions of any consequence are made by large bodies. They are usually made by one or two or three or four or five people, and there comes a time in the legislative process when it is extremely important that some particular individual or several individuals know how people feel about an issue.

It is at that point when we call for a response that it is absolutely imperative that we receive that response, and we have had good response when we have called upon you, as Mr. Heilman has indicated. It really is not your national commander or your national director of legislation.

Washington is full of people walking up and down the halls of the office buildings. There are literally hundreds upon hundreds of organizations in Washington that have more money than we do, that have bigger staffs than we do, and they are there lobbying for their special interests.

We don't stand out in any way in size or wealth or anything else. We have only one claim with money, and that is that the things we do are ground in a fundamental, sound principle; and Number 2, that you do respond when we call upon you. And if we can continue in that vein, we can continue the successful legislative program.

Now I will entertain a motion to accept this report.

Mr. WILLIAN L. MCCAULEY. William L. McCauley, Department of Virginia, always on hand to aid the national programs in Washington, moves for acceptance of the report of the legislative chairman.

National Commander MEADOWS. Do I hear a second?

Mr. FRED METZ. Fred Metz, Chapter 13, California, seconds.

National Commander MEADOWS. Now then, there is an opportunity to discuss it. It is true that our friends from Virginia and our friends from Maryland are on hand, and we did call on them. [Applause]. Any further comments or discussion? It not, we will vote on the adoption of the report.

Those in favor, signify by saying Aye; those opposed, No. The motion is carried.

I have sometimes said that the Service Department of the organization is the shining jewel in the crown of the DAV. The Service Department is the most visible part of the DAV. We have our representatives in every hospital and every regional office. We have our representatives attending the Veterans Council meetings.

We have our representatives in a variety of situations in Washington, and it is our Service Department that is seen more often by more people and has more responsibility of carrying the image of this organization than any other part of this organization.

You know, we could easily relegate the Service Department to the handling of claims and reviewing of files and appearing before rating Boards, but the facts are that we do a great many more things than that. The Service Department deals with compensation, pensions, and education and so forth, but they maintain an expertise in Social Security, the affairs of the retired military, the affairs of the Medical Department, and are the group that we must call upon, we the national officers, the Legislative Department, who are the technical research and backup on the issues that we carry forward.

I want you to hear a report from our director, our national service director, Mr. Norman B. Hartnett, but before he makes his report, I want to express my personal thanks to the National Service Department and to say again, as I have said many times across the country, we are extremely proud of the young men of this department. [Applause.]

Mr. NORMAN B. HARTNETT. Thank you, Commander. Last year in my annual report, I informed you that your national service director and his staff faced the future with apprehension and concern—abundant apprehension and considerable concern—pertaining to the preservation and expansion of existing veterans benefits programs and the present delivery system as administered primarily by the Veterans' Administration.

Continuing proposals and actions of this administration have validated our reasons to be apprehensive and concerned about programs of major significance to this nation's disabled veterans and their family members.

In his "Tales of the South Pacific," James Michener was prophetic when he wrote "they will live a long time, these men of the (second war). They had an American quality. They, like their victories, will be remembered as long as our generation lives. After that, like the men of the Confederacy, they will become strangers. Longer and longer shadows will obscure them until their Guadalcanal (and Bastogne) sound distant on the ear, like Shiloh and Valley Forge."

We of the Disabled American Veterans cannot and will not permit the men of the second war or of any war, including Vietnam, to be forgotten or to become strangers or to become obscured by shadows—shadows of inattention and neglect by government leaders and federal officials.

We shall not tolerate VA budgets that result in hospital bed reductions, curtailment of medical research, firing of employees and inefficient medical treatment and hospitalization for disabled and sick veterans. We shall not stand still for disability programs which do not adequately compensate service-connected veterans, nor shall we accept vocational rehabilitation programs which are improperly created, ineffectively implemented and do not lead to substantial gainful employment.

We shall sternly oppose all efforts to dilute, weaken or circumvent existing veterans benefits programs or to transfer the administration of veterans programs from the VA.

To HEW, we say, "Hands off." [Applause.] To the chairman of the Civil Service Commission and to the heads of offending federal agencies, we say, "Obey the law and apply veterans preference instead of evading its application." To the Secretary of Labor, we say, "Appoint a qualified and capable Deputy Assistant Secretary for Veterans Employment who will fully implement with your full support the many laws designed to enhance employment and advancement therein for disabled veterans."

And to the VA Administrator, we say, "Stand up to the Office of Management and Budget and fight for a budget adequate to provide all of the services mandated by law for veterans and their dependents." [Applause.]

As you can tell from these introductory comments and your reading of the DAV Monthly Magazine, the staff of the National Service Department, in conjunction with and in cooperation with the staff members of the National Legislative Department, has labored long and hard to maintain existing veterans benefit programs and to stop the encroachment of VA programs by the Secretary of HEW, while improving, at the same time, the quality of DAV representation of disabled veterans and their dependents by our national service officers.

It has been a privilege and a pleasure to work this past year with the members of my staff and I want to publicly express my appreciation and sincere gratitude to each and every one of them. Permit me to introduce to you William E. Gearhart, deputy national service director; Stuart J. Cody, director of special service projects; Arthur H. Wilson, chief of claims; Ronald W. Drach, national director of employment; Rickie L. Garmon, administrative assistant; and the two, most recent appointees, Stephen L. Edmiston and Harold L. Woods administrative assistants.

All of them, and John P. Delaney, the administrative assistant to the national service director stationed at National Headquarters in Cold Spring, Kentucky, make the DAV National Service Program work and insure that it is the Number 1 service program for veterans and their dependents in this nation. To each and every one and to the clerical staff with whom they are associated, I say "thank you" for a job well done.

Counsel, assistance and representation of disabled veterans and their dependents at our field stations are provided by a corps of 272 national service officers, of whom 27 are recently appointed trainees. I am pleased to inform you that 228 of our national service officers, 84 percent, are Vietnam Era veterans, and they are proving their leadership capabilities more and more every day.

Vietnam Era NSO's are supervisors in 47 of our 67 DAV National Service Offices and an additional 32 are assistant supervisors. Seven of the ten members of the national service and legislative staff are also veterans of the Vietnam Conflict.

With total support from National Adjutant Dale Adams, the National Finance Committee and the National Executive Committee, we have been able to continue our National Service Seminars in Washington, D.C. Three seminars were conducted in the fall of 1977, three in the spring of this year and three additional ones are scheduled for September, October and November.

Thirty national service officers attend each two-week training program where they are instructed by VA, Social Security and other government agency personnel in addition to DAV national staff members. These training sessions have been very well received and have improved the quality of representation available to disabled veterans and their dependents from our national service officers. It is our intention to maintain and continue the training of DAV national service officers as we strive for perfection in professionalism.

In recognition of the valuable contributions made by department and chapter service officers in their cooperative efforts with NSO's to provide localized assistance for disabled veterans and their dependents, we are developing and will release later this year chapter service officer and employment manuals which will contain important and helpful information pertaining to claims and job-related matters.

Last year I was proud to tell you that DAV national service officers were responsible for approximately $500 million in retroactive and annual benefits for disabled veterans and dependents whom they represented. This year, as indicated by the following statistical data, NSO's were successful in obtaining more than $608 million in retroactive and annual benefits for their clients.

This substantial increase occurred despite a general reduction in the total number of favorable claims reported, as may be expected since the Vietnam conflict has been over for more than three years. I am pleased to publicly acknowledge my appreciation and thanks to each and every national service officer for their accomplishments. [Applause.]

	1978
New service connections	9,848
Compensation increases	41,530
Compensation maintained	68,659
Pension	42,291
Pension maintained	10,764
Social security	1,811
Educational benefits	34,828
Miscellaneous	2,132
Death compensation	2,255
Death pension	16,329
Insurance	1,946
Burial allowances	10,869
Total	243,262
Files reviewed	406,646
Power of attorney	111,491
Interviews	249,676
Rating board appearances	214,640
Informal	205,599
Formal	9,041
Form 646 completed	13,314
New claims	198,904
New life memberships	8,169
New annual memberships	11,257

Much of the service program's success may be attributed to the continuance of our Mobile Field Service Unit Program. Nine DAV vans have periodically visited areas remote from VA Regional Offices, and three other vans have been used for functions such as DAV district meetings, college campus activities and state and county fairs.

The involvement of DAV department and chapter officials, together with representatives of the public employment service, resulted in increased activity in interviews, powers of attorney, membership and employment. The media has been very generous in publicizing activities related go our Mobile Field Service Unit Program, and we have had much more coverage by television, radio and newspapers.

The DAV remains in the Number 1 position of all service organizations at the Board of Veterans Appeals, and I am pleased to report with an expression of appreciation to Supervisory National Appeals Officer Jesse Brown and his staff that our case load and allowance rate have increased in almost every category.

He and his associates also excel in cases submitted and considered on an administrative review basis. These highly complex cases involving medical and/or legal problems are submitted by DAV national service officers to National Service and Legislative Headquarters, reviewed and, if appropriate, presented to the VA Central Office for a decision. For this fiscal year, the number of referrals from the field has increased by more than 50 percent, and the allowance rate has reached 76 percent, a new high.

Our NSO staffs at the VA Centers in Philadelphia, Pennsylvania and St. Paul, Minnesota were extremely busy during the past year as evidenced by their commendable accomplishments. They obtained waiver of insurance premiums for 1,730 disabled veterans, were successful in securing total disability income payments for another 75 individuals, reviewed 3,500 files and all of this resulted in monthly payments of more than $84 million and retroactive and annual payments of $1,650,266 to their clients.

Our Pentagon office is now staffed by a full-time national service officer and a secretary, and this has resulted in much more efficient and productive service to veterans who seek correction of military records and/or review of discharges.

NSO Marion Shoemake reports that the military correction boards allowed 128 of 250 cases presented, and the discharge review boards considered 998 cases in which the Disabled American Veterans was the designated representative. These activities resulted in monetary payments of $24,315 monthly and $1,272,255 retroactive.

Additionally, national service officers in San Diego and San Francisco, California; Washington, D.C.; Chicago, Illinois; Columbia, South Carolina; and San Antonio, Texas collectively represented 421 servicemen or veterans before physical evaluation boards in those cities. Two hundred and thirty-three of the cases were allowed, 179 were confirmed and continued, and only 9 were denied.

As for the DAV Employment Program, under the leadership of National Director of Employment Ron Drach, assisted by Rickie Garmon and Hal Woods, we have assisted hundreds of job-seeking disabled veterans in their efforts to secure federal or private sector employment.

Additionally, throughout the year, the DAV has cooperated with the National Alliance of Businessmen, the Department of Labor, Congressional Committees and other interested parties in insuring that beneficial legislation providing for enhancement of employment or advancement therein for qualified disabled veterans is fully and effectively implemented.

In this regard, your organization has been instrumental in making certain that veterans get their fair share of the pie in programs such as HIRE, Help Through Industry, Retraining and Employment; CETA, Comprehensive Employment and Training Act; and the Disabled Veterans Outreach Program (DVOP).

Another important function of our employment staff and NSO's is that of counseling and representing qualified disabled veterans who file complaints against certain federal contractors who are not in compliance with affirmative action laws and regulations mandating that they contractually agree to the employment of such disabled veterans.

Our newest area of endeavor, the Social Security Program, has been even more successful this year than last year. Our national service officers were responsible for 1,811 favorable Social Security disability decisions resulting in $646,154 monthly benefits and retroactive-annual payments of more than $14,857,189. This is a most creditable achievement and indicates that this new record will be broken in years to come because of the interest and involvement of our field representatives.

It has been a pleasure this past year to work with National Commander Oliver E. Meadows, Auxiliary National Commander Marjorie Vincent, National Adjutants Dale Adams and Kit Seal of the parent organization and its Auxiliary. All of them have at all times cooperated fully and have been totally committed to maintaining the DAV National Service Program as the best in this nation. I thank each and every one of them for their support.

You department and chapter leaders—commanders, adjutants, service officers, employment officers, VAVS representatives—have all in many ways contributed at the local level to the success of our DAV "supermarket of services" for disabled veterans and their family members. I express my deepest gratitude and appreciation to all of you.

I began with a quote from Author James Michener, and I would like to conclude by quoting Will Rogers who said:

> Us letting the veteran entirely alone, and not caring what his wants are, now that we don't need him (or think we don't), is like lots of people we have, who allow their old parents or grandparents to be sent to a sanatorium because they were getting to be too much trouble and too much in the way for them to take care of at home.
>
> I am not so sure myself of "no more wars," and there is a bare possibility that we might want to use these boys again. The best insurance in the world against another war, is to take care of the ones that fought the last one.

That tells me that after every war there is a tendency for government leaders to forget veterans and their needs. What was said then is just as true now. But, you may rest assured that the DAV will not permit this government and its leaders to forget the needs of veterans, especially those with service-connected disabilities.

We shall at all times insist that adequate funds be made available and administered principally by the Veterans' Administration to provide for first-class quality medical care, vocational rehabilitation which leads to meaningful employment, adequate disability compensation, and appropriate benefit programs for the dependents and survivors of service-connected disabled veterans. Thank you. [Applause.]

Annual report, National Appeals Office, 1977–78

I. Favorable appeal decisions:	
1. Service connections	532
2. Compensation increased	740
3. Nonservice pension	34
4. Death compensation and pension	51
5. Education	14
6. Miscellaneous	109
Total	1, 480
7. Remands	1, 577
8. Allowed remands	499
Total	2, 076
Grand total—allowances and remands	3, 556
II. Office activities:	
1. VA files reviewed	11, 669
2. Interviews	387
3. Presentations:	
a. Formals	272
b. Informals	1, 915
c. Briefs	9, 482
d. Waivers	
4. Reconsiderations	73
5. IME's and CMD's	58
III. Activities—remarks:	

DISABLED AMERICAN VETERANS—ADMINISTRATIVE REVIEWS

	1970–71	1971–72	1972–73	1974–75	1975–76	1976–77	1977–78
Number of referrals from field	156	195	157	90	85	107	159
Awaiting C file		15	14	0	23	22	30
No action	58	93	81	59	27	40	55
Presented	98	87	62	31	35	45	74
Pending decision		4	5	0	0	8	7
Favorable	46	50	27	16	22	28	51
Denied	52	33	30	15	13	9	16
Percentage of allowance	46. 9	60. 2	47. 4	51. 6	62. 8	75	76

National Insurance Report, 1977–78

New Waiver of premiums	1, 730
Continuing waiver of premiums	3, 355
Limited waiver of premiums	25
Statutory waiver of premiums	25
Total disability income provision	75
Permanent and total disability (USGLI)	0
Insurance loans processed	49
Miscellaneous	313
Total	5, 572
VA files reviewed	3, 509
Rating board appearances:	
Direct	2, 122
Indirect	3, 297
Briefs prepared	12
Total monetary benefits:	
Monthly	$84, 733
Retroactive and annual	$1, 650, 266

CORRECTION OF MILITARY RECORDS AND REVIEW OF DISCHARGES—1977–78

NUMBER OF CASES DISPOSED OF BY BOARDS

Coast Guard, allowed 1; denied 2; total cases 3; percentage allowed 33 percent.

Army Correction Board, allowed 81; denied 392; total cases 473; percentage allowed 17 percent.

Air Force Correction Board, allowed 30; denied 30; total cases 60; percentage allowed 50 percent.

Navy Correction Board, allowed 54; denied 158; total cases 212; percentage allowed 25 percent.

Total cases considered by boards 748.

Total cases allowed 166; total cases denied 582; total percentage allowed 29 percent.

Army Discharge Review Board, allowed 81; denied 49; total cases 130; percentage allowed 62 percent.

Air Force Discharge Review Board, allowed 12; denied 13; total cases 25; percentage allowed 48 percent.

Navy Discharge Review Board, allowed 35; denied 60; total cases 95; percentage allowed 37 percent.

Total cases considered by boards 250.

Total allowed 128; total denied 122; total percentage allowed 51 percent.

Total cases considered by boards 998.

Cases pending decision by boards 3,127.

Total case load 4,125—increase of 433 cases over last year.

MONETARY BENEFITS OBTAINED JULY 1, 1977 TO JUNE 30, 1978

Coast Guard, retroactive benefits $35,810; monthly benefits $325; total benefits obtained $36,163.

Army Correction Board, retroactive benefits $611,060; monthly benefits $8,474; total benefits obtained $619,534.

Air Force Correction Board, retroactive benefits $139,990; monthly benefits $2,138; total benefits obtained $142,128.

Navy Correction Board, retroactive benefits $521,205; monthly benefits $13,378; total benefits obtained $534,583.

Total benefits obtained, retroactive $1,272,255; total monthly benefits $24,315; total benefits obtained $1,296,570.

PHYSICAL EVALUATION BOARDS, JULY 1, 1977 TO JUNE 30, 1978

	Allowed	Confirmed and continued	Denied	Total cases
San Diego, Calif	74	46	1	121
San Francisco, Calif	10	5	0	15
Washington, D.C	15	59	0	74
Chicago, Ill	18	22	1	43
Columbia, S.C	18	2	1	21
San Antonio, Tex	98	45	4	147
Total	233	179	9	421

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978

Office: Total National Service Office report:

1. New service connections	9, 848
2. Compensation increased	41, 530
3. Compensation maintained	68, 659
4. Pension	42, 291
5. Pension maintained	10, 764
6. Social security	1, 811
7. Education benefits	34, 828
8. Miscellaneous	2, 132
9. Death compensation	2, 255
10. Death pension	16, 329
11. Insurance	1, 946
12. Burial allowances	10, 869
13. Total awards	243, 262
14. Total monthly increases	$50, 930, 471. 56
15. Total retroactive payments	608, 976, 556. 59
16. Full amount	659, 907, 028. 15
17. VA files reviewed	406, 646
18. Powers of attorney	111, 491
19. Interviews	249, 676
20. Rating board appearances	214, 640
21. New claims	198, 904
22. Membership	28, 238

Office: Montgomery, Ala.:

1. New service connections	127
2. Compensation increased	693
3. Compensation maintained	1, 358
4. Pension	690
5. Pension maintained	159
6. Social security	41
7. Education benefits	388
8. Miscellaneous	21
9. Death compensation	18
10. Death pension	166
11. Insurance	25
12. Burial allowances	75
13. Total awards	3, 761
14. Total monthly increases	$738, 653. 00
15. Total retroactive payments	8, 699, 603. 00
16. Full amount	9, 438, 256. 00
17. VA files reviewed	6, 691
18. Powers of attorney	1, 443
19. Interviews	2, 649
20. Rating board appearances	3, 836
21. New claims	545
22. Membership	316

Office: Phoenix, Ariz.:

1. New Service connections	149
2. Compensation increased	739
3. Compensation maintained	1, 239
4. Pension	1, 219
5. Pension maintained	94
6. Social security	104
7. Education benefits	1, 113

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Phoenix, Ariz.—Continued	
8. Miscellaneous	56
9. Death compensation	45
10. Death pension	386
11. Insurance	49
12. Burial allowances	199
13. Total awards	5, 389
14. Total monthly increases	$1, 141, 064. 20
15. Total retroactive payments	13, 234, 609. 92
16. Full amount	14, 375, 674. 12
17. VA files reviewed	6, 317
18. Powers of attorney	1, 900
19. Interviews	3, 717
20. Rating board appearances	3, 479
21. New claims	3, 019
22. Membership	529

Office: Little Rock, Ark.:	
1. New service connections	160
2. Compensation increased	844
3. Compensation maintained	1, 057
4. Pension	869
5. Pension maintained	124
6. Social security	25
7. Education benefits	431
8. Miscellaneous	19
9. Death compensation	64
10. Death pension	238
11. Insurance	41
12. Burial allowances	157
13. Total awards	4, 029
14. Total monthly increases	$795, 762. 00
15. Total retroactive payments	9, 614, 629. 00
16. Full amount	10, 410, 391. 00
17. VA files reviewed	7, 814
18. Powers of attorney	1, 785
19. Interviews	2, 722
20. Rating board appearances	2, 637
21. New Claims	3, 637
22. Membership	357

Office: Los Angeles, Calif.:	
1. New service connections	340
2. Compensation increased	1, 221
3. Compensation maintained	3, 142
4. Pension	1, 615
5. Pension maintained	649
6. Social security	55
7. Education benefits	1, 610
8. Miscellaneous	59
9. Death compensation	70
10. Death pension	687
11. Insurance	60
12. Burial allowances	629
13. Total awards	10, 137

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Los Angeles, Calif.—Continued

14. Total monthly increases	$2, 032, 818. 00
15. Total retroactive payments	26, 166, 837. 00
16. Full amount	28, 199, 655. 00
17. VA files reviewed	11, 839
18. Powers of attorney	4, 373
19. Interviews	5, 797
20. Rating board appearances	6, 401
21. New claims	4, 781
22. Membership	986

Office: San Diego, Calif.:

1. New service connections	584
2. Compensation increased	419
3. Compensation maintained	1, 200
4. Pension	338
5. Pension maintained	667
6. Social security	33
7. Education benefits	1, 472
8. Miscellaneous	31
9. Death compensation	91
10. Death pension	295
11. Insurance	55
12. Burial allowances	224
13. Total awards	5, 409
14. Total monthly increases	$1, 402, 791. 00
15. Total retroactive payments	17, 656, 209. 00
16. Full amount	19, 059, 000. 00
17. VA files reviewed	6, 479
18. Powers of Attorney	1, 950
19. Interviews	9, 322
20. Rating board appearances	2, 669
21. New claims	8, 069
22. Membership	596

Office: San Francisco, Calif.:

1. New service connections	366
2. Compensation increased	1, 094
3. Compensation maintained	1, 749
4. Pension	714
5. Pension maintained	179
6. Social security	36
7. Education benefits	2, 163
8. Miscellaneous	62
9. Death compensation	63
10. Death pension	260
11. Insurance	58
12. Burial allowances	536
13. Total awards	7, 280
14. Total monthly increases	$1, 743, 210. 00
15. Total retroactive payments	20, 679, 966. 00
16. Full amount	22, 423, 176. 00
17. VA files reviewed	10, 006
18. Powers of attorney	3, 179
19. Interviews	4, 017

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: San Francisco, Calif.—Continued

20. Rating board appearances	5, 234
21. New claims	4, 656
22. Membership	360

Office: Denver, Colo.:

1. New service connections	179
2. Compensation increased	598
3. Compensation maintained	1, 160
4. Pension	337
5. Pension maintained	127
6. Social security	11
7. Education benefits	630
8. Miscellaneous	41
9. Death compensation	47
10. Death pension	160
11. Insurance	31
12. Burial allowances	99
13. Total awards	3, 420
14. Total monthly increases	$754, 048. 00
15. Total retroactive payments	9, 003, 658. 81
16. Full amount	9, 757, 706. 81
17. VA files reviewed	5, 629
18. Powers of attorney	1, 524
19. Interviews	2, 327
20. Rating board appearances	2, 981
21. New claims	1, 400
22. Membership	271

Office: Hartford, Conn.:

1. New service connections	95
2. Compensation increased	684
3. Compensation maintained	681
4. Pension	324
5. Pension maintained	38
6. Social security	40
7. Education benefits	408
8. Miscellaneous	40
9. Death compensation	22
10. Death pension	131
11. Insurance	52
12. Burial allowances	159
13. Total awards	2, 674
14. Total monthly increases	$534, 327. 00
15. Total retroactive payments	6, 899, 731. 00
16. Full amount	7, 434, 058. 00
17. VA files reviewed	7, 562
18. Powers of attorney	564
19. Interviews	2, 191
20. Rating board appearances	5, 443
21. New claims	1, 683
22. Membership	308

Office: Wilmington, Del.:

1. New service connections	43
2. Compensation increased	119
3. Compensation maintained	166
4. Pension	46
5. Pension maintained	54

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: Wilmington, Del.—Continued

6. Social security	12
7. Education benefits	50
8. Miscellaneous	17
9. Death compensation	8
10. Death Pension	44
11. Insurance	6
12. Burial allowances	36
13. Total awards	601
14. Total monthly increases	$113, 683. 01
15. Total retroactive payments	1, 392, 595. 12
16. Full amount	1, 506, 278. 13
17. VA files reviewed	873
18. Powers of attorney	199
19. Interviews	1, 146
20. Rating board appearances	348
21. New claims	381
22. Membership	323

Office: Washington, D.C.:

1. New service connections	158
2. Compensation increased	747
3. Compensation maintained	816
4. Pension	343
5. Pension maintained	40
6. Social security	18
7. Education benefits	451
8. Miscellaneous	35
9. Death compensation	29
10. Death pension	137
11. Insurance	7
12. Burial allowances	92
13. Total awards	2, 873
14. Total monthly increases	$648, 595. 00
15. Total retroactive payments	7, 149, 597. 00
16. Full amount	7, 798, 192. 00
17. VA files reviewed	4, 867
18. Powers of attorney	1, 351
19. Interviews	5, 121
20. Rating board appearances	2, 375
21. New claims	2, 489
22. Membership	477

Office: St. Petersburg, Fla.:

1. New service connections	1, 000
2. Compensation increased	3, 922
3. Compensation maintained	4, 555
4. Pension	3, 392
5. Pension maintained	713
6. Social security	65
7. Education benefits	2, 432
8. Miscellaneous	116
9. Death compensation	196
10. Death pension	788
11. Insurance	142
12. Burial allowances	1, 022
13. Total awards	18, 343

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: St. Petersburg, Fla.—Continued

14. Total monthly increases	$3, 386, 786. 57
15. Total retroactive payments	24, 282, 186. 19
16. Full amount	27, 668, 972. 76
17. VA files reviewed	24, 591
18. Powers of attorney	8, 097
19. Interviews	7, 425
20. Rating board appearances	14, 563
21. New claims	18, 248
22. Membership	561

Office: Miami, Fla.:

1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	32
7. Educational benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	32
14. Total monthly increase	$9, 300. 39
15. Total retroactive payments	220, 503. 00
16. Full amount	229, 803. 39
17. VA files reviewed	1, 155
18. Powers of attorney	1, 876
19. Interviews	8, 938
20. Rating board appearances	56
21. New claims	3, 926
22. Membership	414

Office: Atlanta, Ga.:

1. New service connections	163
2. Compensation increased	850
3. Compensation maintained	1, 196
4. Pension	530
5. Pension maintained	181
6. Social security	11
7. Education benefits	328
8. Miscellaneous	40
9. Death compensation	62
10. Death pension	105
11. Insurance	27
12. Burial allowances	179
13. Total awards	3, 672
14. Total monthly increases	$764, 542. 00
15. Total retroactive payments	9, 936, 515. 00
16. Full amount	10, 701, 057. 00

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Atlanta, Ga.—Continued	
17. VA files reviewed	3, 798
18. Powers of attorney	1, 625
19. Interviews	2, 879
20. Rating board appearances	3, 178
21. New claims	3, 069
22. Membership	307
Office: Honolulu, Hawaii:	
1. New service connections	54
2. Compensation increased	156
3. Compensation maintained	245
4. Pension	6
5. Pension maintained	12
6. Social security	6
7. Education benefits	359
8. Miscellaneous	12
9. Death compensation	11
10. Death pension	4
11. Insurance	26
12. Burial allowances	40
13. Total awards	931
14. Total monthly increases	$227. 385. 00
15. Total retroactive payments	2, 855, 565. 00
16. Full amount	3, 082, 950. 00
17. VA files reviewed	985
18. Powers of attorney	206
19. Interviews	1, 201
20. Rating board appearances	427
21. New claims	631
22. Membership	57
Office: Boise, Idaho:	
1. New service connections	58
2. Compensation increased	304
3. Compensation maintained	463
4. Pension	482
5. Pension maintained	40
6. Social security	20
7. Education benefits	164
8. Miscellaneous	11
9. Death compensation	19
10. Death pension	178
11. Insurance	22
12. Burial allowances	88
13. Total awards	1, 849
14. Total monthly increases	$309, 779. 00
15. Total retroactive payments	3, 899, 548. 13
16. Full amount	4, 209, 327. 13
17. VA files reviewed	3, 507
18. Powers of attorney	698
19. Interviews	1, 362
20. Rating board appearances	1, 712
21. New claims	1, 871
22. Membership	311

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Chicago, Ill.:

1. New service connections	193
2. Compensation increased	458
3. Compensation maintained	808
4. Pension	1, 393
5. Pension maintained	1, 024
6. Social security	29
7. Education benefits	1, 099
8. Miscellaneous	22
9. Death compensation	42
10. Death pension	948
11. Insurance	41
12. Burial allowances	31
13. Total awards	6, 088
14. Total monthly increases	$1, 257, 448. 28
15. Total retroactive payments	13, 592, 619. 33
16. Full Amount	14, 850, 067. 61
17. VA files reviewed	12, 686
18. Powers of attorney	6, 135
19. Interviews	3, 931
20. Rating board appearances	5, 531
21. New claims	7, 156
22. Membership	305

Office: Indianapolis, Ind.:

1. New service connections	120
2. Compensation increased	408
3. Compensation maintained	838
4. Pension	528
5. Pension maintained	309
6. Social security	15
7. Education benefits	557
8. Miscellaneous	9
9. Death compensation	39
10. Death pension	478
11. Insurance	31
12. Burial allowances	304
13. Total awards	3, 636
14. Total monthly increases	$760, 374. 54
15. Total retroactive payments	9, 529, 588. 00
16. Full amount	10, 289, 962. 54
17. VA files reviewed	4, 498
18. Powers of attorney	1, 038
19. Interviews	1, 947
20. Rating board appearances	3, 273
21. New claims	1, 489
22. Membership	305

Office: Des Moines, Iowa:

1. New Service connections	64
2. Compensation increased	344
3. Compensation maintained	513
4. Pension	533
5. Pension maintained	136
6. Social security	10
7. Education benefits	221
8. Miscellaneous	96
9. Death compensation	14

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Des Moines, Iowa—Continued	
10. Death pension	164
11. Insurance	7
12. Burial allowances	63
13. Total awards	2, 165
14. Total monthly increases	$374, 472. 00
15. Total retroactive payments	4, 656, 555. 00
16. Full amount	5, 031, 027. 00
17. VA files reviewed	4, 211
18. Powers of attorney	911
19. Interviews	1, 916
20. Rating board appearances	2, 372
21. New claims	1, 854
22. Membership	399
Office: Wichita, Kans.:	
1. New service connections	88
2. Compensation increased	305
3. Compensation maintained	335
4. Pension	282
5. Pension maintained	25
6. Social security	9
7. Education benefits	243
8. Miscellaneous	5
9. Death compensation	3
10. Death pension	52
11. Insurance	10
12. Burial allowances	92
13. Total awards	1, 449
14. Total monthly increases	$297, 983. 59
15. Total retroactive payments	3, 165, 479. 75
16. Full amount	3, 463, 463. 34
17. VA files reviewed	1, 708
18. Powers of attorney	543
19. Interviews	1, 380
20. Rating board appearances	929
21. New claims	238
22. Membership	112
Office: Louisville, Ky.:	
1. New service connections	210
2. Compensation increased	797
3. Compensation maintained	1, 199
4. Pension	981
5. Pension maintained	194
6. Social security	6
7. Education benefits	305
8. Miscellaneous	46
9. Death compensation	70
10. Death pension	326
11. Insurance	26
12. Burial allowances	267
13. Total awards	4, 427
14. Total monthly increases	$888, 568. 00
15. Total retroactive payments	11, 161, 949. 00

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Louisville, Ky.—Continued	
16. Full amount	12, 050, 517. 00
17. VA files reviewed	10, 068
18. Powers of attorney	2, 815
19. Interviews	2, 562
20. Rating Board appearances	4, 612
21. New claims	1, 799
22. Membership	432

Office: New Orleans, La.:	
1. New service connections	94
2. Compensation increased	382
3. Compensation maintained	1, 139
4. Pension	806
5. Pension maintained	167
6. Social security	21
7. Education benefits	368
8. Miscellaneous	15
9. Death compensation	18
10. Death pension	149
11. Insurance	27
12. Burial allowances	85
13. Total awards	3, 271
14. Total monthly increases	$623, 455. 00
15. Total retroactive payments	7, 337, 203. 00
16. Full amount	7, 960, 658. 00
17. VA files reviewed	5, 585
18. Powers of attorney	1, 994
19. Interviews	4, 724
20. Rating Board appearances	3, 812
21. New claims	2, 928
22. Membership	316

Office: Togus, Maine:	
1. New service connections	37
2. Compensation increased	244
3. Compensation maintained	508
4. Pension	86
5. Pension maintained	13
6. Social security	6
7. Education benefits	266
8. Miscellaneous	11
9. Death compensation	4
10. Death pension	14
11. Insurance	14
12. Burial allowances	31
13. Total awards	1, 234
14. Total monthly increases	$396, 032. 50
15. Total retroactive payments	4, 507, 470. 40
16. Full amount	4, 903, 502. 90
17. VA files reviewed	1, 145
18. Powers of attorney	293
19. Interviews	1, 066
20. Rating board appearances	517
21. New claims	588
22. Membership	199

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Baltimore, Md.:	
1. New service connections	109
2. Compensation increased	562
3. Compensation maintained	723
4. Pension	310
5. Pension maintained	65
6. Social security	13
7. Education benefits	294
8. Miscellaneous	60
9. Death compensation	34
10. Death pension	76
11. Insurance	13
12. Burial allowances	88
13. Total awards	2, 347
14. Total monthly increases	$476, 610. 00
15. Total retroactive payments	5, 807, 421. 00
16. Full amount	6, 284, 031. 00
17. VA files reviewed	2, 943
18. Powers of attorney	724
19. Interviews	3, 528
20. Rating board appearances	1, 585
21. New claims	1, 048
22. Membership	292

Office: Boston, Mass.:	
1. New service connections	321
2. Compensation increased	1, 799
3. Compensation maintained	2, 011
4. Pension	758
5. Pension maintained	102
6. Social security	82
7. Education benefits	582
8. Miscellaneous	8
9. Death compensation	69
10. Death pension	339
11. Insurance	24
12. Burial allowances	170
13. Total awards	6, 265
14. Total monthly increases	$1, 350, 656. 00
15. Total retroactive payments	17, 341, 035. 00
16. Full amount	18, 691, 691. 00
17. VA files reviewed	16, 977
18. Powers of attorney	2, 565
19. Interviews	10, 660
20. Rating board appearances	8, 227
21. New claims	1, 861
22. Membership	669

Office: Detroit, Mich.:	
1. New service connections	244
2. Compensation increased	1, 410
3. Compensation maintained	1, 626
4. Pension	1, 917
5. Pension maintained	108
6. Social security	122
7. Education benefits	1, 815
8. Miscellaneous	37
9. Death compensation	83

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Detroit, Mich.—Continued

10. Death pension	1, 717
11. Insurance	28
12. Burial allowances	684
13. Total awards	9, 791
14. Total monthly increases	$2, 488, 451. 43
15. Total retroactive payments	18, 197, 804. 03
16. Full amount	20, 686, 255. 46
17. VA files reviewed	10, 592
18. Powers of attorney	2, 139
19. Interviews	5, 261
20. Rating board appearances	6, 073
21. New claims	3, 963
22. Membership	322

Office: St. Paul Minn.:

1. New service connections	270
2. Compensation increased	556
3. Compensation maintained	1, 268
4. Pension	564
5. Pension maintained	109
6. Social security	15
7. Education benefits	954
8. Miscellaneous	229
9. Death compensation	54
10. Death pension	380
11. Insurance	146
12. Burial allowances	226
13. Total awards	4, 771
14. Total monthly increases	$1, 045, 252. 00
15. Total retroactive payments	13, 018, 056. 00
16. Full amount	14, 063, 308. 00
17. VA files reviewed	8, 065
18. Powers of attorney	1, 798
19. Interviews	2, 672
20. Rating board appearances	6, 757
21. New claims	7, 038
22. Membership	286

Office: Jackson, Miss.:

1. New service connections	25
2. Compensation increased	307
3. Compensation maintained	486
4. Pension	553
5. Pension maintained	61
6. Social security	4
7. Education benefits	196
8. Miscellaneous	12
9. Death compensation	17
10. Death pension	74
11. Insurance	14
12. Burial allowances	120
13. Total awards	1, 869
14. Total monthly increases	$304, 711. 00
15. Total retroactive payments	3, 814, 490. 04
16. Full amount	4, 146, 212. 04

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: Jackson, Miss.—Continued

17. VA files reviewed	1, 532
18. Powers of attorney	565
19. Interviews	1, 255
20. Rating board appearances	971
21. New claims	1, 849
22. Membership	343

Office: St. Louis, Mo.:

1. New service connections	141
2. Compensation increased	706
3. Compensation maintaned	1, 598
4. Pension	784
5. Pension maintained	165
6. Social security	22
7. Education benefits	428
8. Miscellaneous	32
9. Death compensation	39
10. Death pension	211
11. Insurance	37
12. Burial allowances	146
13. Total awards	4, 309
14. Total monthly increases	$1, 015, 355. 84
15. Total retroactive payments	13, 041, 244. 49
16. Full amont	14, 056, 600. 33
17. VA files reviewed	7, 728
18. Powers of attorney	946
19. Interviews	3, 335
20. Rating board appearances	3, 247
21. New claims	3, 626
22. Membership	3, 455

Office: Kansas City, Mo.:

1. New services connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	1
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	1
14. Total monthly increases	$343. 50
15. Total retroactive payment	1, 717. 50
16. Full amont	2, 061. 00
17. VA files reviewed	362
18. Powers of attorney	438
19. Interviews	2, 643
20. Rating board appearances	3
21. New claims	890
22. Membership	110

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Fort Harrison, Mont.:	
1. New service connections	54
2. Compensation increased	248
3. Compensation maintained	346
4. Pension	127
5. Pension maintained	61
6. Social security	19
7. Education benefits	155
8. Miscellaneous	28
9. Death compensation	4
10. Death pension	18
11. Insurance	18
12. Burial allowances	124
13. Total awards	1, 212
14. Total monthly increases	$307, 335. 41
15. Total retroactive payments	3, 866, 203. 94
16. Full amount	4, 173, 539. 35
17. VA files reviewed	3, 173
18. Powers of attorney	404
19. Interviews	2, 822
20. Rating board appearances	1, 232
21. New claims	498
22. Membership	223
Office: Lincoln, Nebr.:	
1. New service connections	53
2. Compensation increased	222
3. Compensation maintained	349
4. Pension	194
5. Pension maintained	62
6. Social security	19
7. Education benefits	209
8. Miscellaneous	6
9. Death compensation	8
10. Death pension	49
11. Insurance	9
12. Burial allowances	84
13. Total awards	1, 264
14. Total monthly increases	$301, 702. 00
15. Total retroactive payments	3, 631, 420. 00
16. Full amount	3, 933, 122. 00
17. VA files reviewed	2, 074
18. Powers of attorney	606
19. Interviews	1, 092
20. Rating board appearances	1, 089
21. New claims	718
22. Membership	139
Office: Reno, Nev.:	
1. New service connections	75
2. Compensation increased	270
3. Compensation maintained	605
4. Pension	140
5. Pension maintained	32
6. Social security	5
7. Education benefits	226

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Reno, Nev.—Continued	
8. Miscellaneous	8
9. Death compensation	6
10. Death pension	32
11. Insurance	14
12. Burial allowances	40
13. Total awards	1, 453
14. Total monthly increases	$306, 274. 00
15. Total retroactive payments	3, 449, 030. 00
16. Full amount	3, 755, 304. 00
17. VA files reviewed	2, 649
18. Powers of attorney	432
19. Interviews	1, 575
20. Rating board appearances	994
21. New claims	272
22. Membership	153
Office: Manchester, N.H.:	
1. New service connections	90
2. Compensation increased	436
3. Compensation maintained	618
4. Pension	395
5. Pension maintained	155
6. Social security	53
7. Education benefits	330
8. Miscellaneous	13
9. Death compensation	20
10. Death pension	120
11. Insurance	25
12. Burial allowances	116
13. Total awards	2, 371
14. Total monthly increases	$480, 566. 00
15. Total retroactive payments	6, 128, 673. 00
16. Full amount	6, 609, 239. 00
17. VA files reviewed	2, 728
18. Powers of attorney	776
19. Interviews	2, 324
20. Rating board appearances	1, 340
21. New claims	2, 145
22. Membership	106
Office: Newark, N.J.:	
1. New service connections	143
2. Compensation increased	1, 127
3. Compensation maintained	665
4. Pension	572
5. Pension maintained	74
6. Social security	26
7. Education benefits	477
8. Miscellaneous	81
9. Death compensation	38
10. Death pension	232
11. Insurance	17
12. Burial allowances	28
13. Total awards	3, 480

Office: Newark, N.J.—Continued

14. Total monthly increases	$710,251.00
15. Total retroactive payments	8,279,332.00
16. Full amount	8,989,583.00
17. VA files reviewed	19,565
18. Powers of attorney	1,831
19. Interviews	5,947
20. Rating board appearances	2,938
21. New claims	5,681
22. Membership	344

Office: Albuquerque, N. Mex.:

1. New service connections	107
2. Compensation increased	498
3. Compensation maintained	738
4. Pension	640
5. Pension maintained	115
6. Social security	21
7. Education benefits	391
8. Miscellaneous	9
9. Death compensation	34
10. Death pension	182
11. Insurance	20
12. Burial allowances	97
13. Total awards	2,852
14. Total monthly increases	$600,584.50
15. Total retroactive payments	7,843,854.00
16. Full amount	8,444,708.50
17. VA files reviewed	2,307
18. Powers of attorney	1,505
19. Interviews	2,532
20. Rating board appearances	1,299
21. New claims	3,765
22. Membership	345

Office: New York, N.Y.:

1. New service connections	343
2. Compensation increased	2,113
3. Compensation maintained	2,948
4. Pension	1,034
5. Pension maintained	267
6. Social security	41
7. Education benefits	773
8. Miscellaneous	52
9. Death compensation	64
10. Death pension	405
11. Insurance	85
12. Burial allowances	229
13. Total awards	8,354
14. Total monthly increases	$1,928,389.00
15. Total retroactive payments	26,009,300.00
16. Full amount	27,937,689.00
17. VA files reviewed	11,885
18. Powers of attorney	2,695
19. Interviews	9,077

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: New York, N.Y.—Continued	
20. Rating board appearances	8, 119
21. New claims	4, 044
22. Membership	1, 117
Office: Albany, N.Y.:	
1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	12
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	12
14. Total monthly increases	$4, 541. 00
15. Total retroactive payments	94, 301. 00
16. Full amount	98, 842. 00
17. VA files reviewed	2, 880
18. Powers of attorney	1, 055
19. Interviews	2, 287
20. Rating board appearances	82
21. New claims	883
22. Membership	118
Office: Buffalo, N.Y.:	
1. New service connections	159
2. Compensation increased	1, 359
3. Compensation maintained	2, 540
4. Pension	1, 366
5. Pension maintained	232
6. Social security	46
7. Education benefits	1, 612
8. Miscellaneous	69
9. Death compensation	38
10. Death pension	298
11. Insurance	53
12. Burial allowances	224
13. Total awards	7, 996
14. Total monthly increases	$2, 025, 202. 00
15. Total retroactive payments	14, 128, 296. 00
16. Full amount	16, 153, 498. 00
17. VA files reviewed	14, 206
18. Powers of attorney	2, 938
19. Interviews	3, 386
20. Rating board appearances	8, 161
21. New claims	4, 133
22. Membership	585

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Syracuse, N.Y.:	
1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	62
7. Education benefits	0
8. Miscellaneous	1
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	63
14. Total monthly increases	$20, 345. 73
15. Total retroactive payments	466, 742. 95
16. Full amount	487, 088. 68
17. VA files reviewed	1, 142
18. Powers of attorney	766
19. Interviews	2, 827
20. Rating board appearances	138
21. New claims	6, 031
22. Membership	706

Office: Winston-Salem, N.C.:	
1. New service connections	200
2. Compensation increased	649
3. Compensation maintained	2, 213
4. Pension	919
5. Pension maintained	728
6. Social security	37
7. Education benefits	549
8. Miscellaneous	54
9. Death compensation	26
10. Death pension	212
11. Insurance	27
12. Burial allowances	53
13. Total awards	5, 667
14. Total monthly increases	$1, 273, 743. 00
15. Total retroactive payments	15, 386, 411. 00
16. Full amount	16, 660, 154. 00
17. VA files reviewed	7, 570
18. Powers of attorney	3, 574
19. Interviews	4, 268
20. Rating board appearances	5, 309
21. New claims	8, 473
22. Membership	386

Office: Fargo, N.D.:	
1. New service connections	76
2. Compensation increased	136
3. Compensation maintained	164
4. Pension	155
5. Pension maintained	10
6. Social security	5
7. Education benefits	435
8. Miscellaneous	7
9. Death compensation	13

***Recapitulation of Service Activities, July 1, 1977 through June 30, 1978*—Con.**

Office: Fargo, N. Dak.—Continued

10. Death pension	127
11. Insurance	16
12. Burial allowances	74
13. Total awards	1, 218
14. Total monthly increases	$258, 723. 00
15. Total retroactive payments	2, 703, 205. 00
16. Full amount	2, 961, 928. 00
17. VA files reviewed	2, 747
18. Powers of attorney	467
19. Interviews	2, 186
20. Rating board appearances	885
21. New claims	944
22. Membership	363

Office: Cleveland, Ohio:

1. New service connections	404
2. Compensation increased	2, 218
3. Compensation maintained	3, 299
4. Pension	4, 012
5. Pennsion maintained	336
6. Social security	11
7. Education benefits	1, 619
8. Miscellaneous	65
9. Death compensation	178
10. Death pension	2, 235
11. Insurance	216
12. Burial allowances	968
13. Total awards	15, 561
14. Total monthly increases	$2, 319, 178. 18
15. Total retroactive payments	20, 869, 543. 21
16. Full amount	23, 188, 721. 39
17. VA files reviewed	29, 018
18. Powers of attorney	6, 414
19. Interviews	5, 936
20. Rating board appearances	15, 676
21. New claims	9, 799
22. Membership	1, 059

Office: Cincinnati, Ohio:

1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	22
7. Education benefits	0
8. Miscellaneous	12
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	34
14. Total monthly increases	$8, 122. 30

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Cincinnati, Ohio—Continued

15. Total retroactive payments	210, 609. 34
16. Full amount	218, 731. 64
17. VA files reviewed	1, 639
18. Powers of attorney	804
19. Interviews	5, 694
20. Rating board appearances	87
21. New claims	1, 745
22. Membership	240

Office: Muskogee, Okla.:

1. New service connections	235
2. Compensation increased	857
3. Compensation maintained	1, 131
4. Pension	906
5. Pension maintained	166
6. Social security	8
7. Education benefits	501
8. Miscellaneous	24
9. Death compensation	24
10. Death pension	152
11. Insurance	57
12. Burial allowances	381
13. Total awards	4, 442
14. Total monthly increases	$849, 496. 19
15. Total retroactive payments	15, 217, 737. 64
16. Full amount	16, 067, 233. 83
17. VA files reviewed	6, 147
18. Powers of attorney	1, 985
19. Interviews	2, 511
20. Rating board appearances	3, 277
21. New claims	4, 951
22. Membership	231

Office: Oklahoma City, Okla.:

1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	23
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	23
14. Total monthly increases	$2, 912. 40
15. Total retroactive payments	51, 426. 60
16. Full amount	54, 339. 00
17. VA files reviewed	268
18. Powers of attorney	259
19. Interviews	3, 851
20. Rating board appearances	17
21. New claims	152
22. Membership	200

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Portland, Oreg.:

1. New service connections	200
2. Compensation increased	608
3. Compensation maintained	1, 005
4. Pension	1, 224
5. Pension maintained	41
6. Social security	21
7. Education benefits	938
8. Miscellaneous	3
9. Death compensation	64
10. Death pension	451
11. Insurance	16
12. Burial allowances	70
13. Total awards	4, 641
14. Total monthly increases	$970, 188. 80
15. Total retroactive payments	11, 834, 576. 46
16. Full amount	12, 804, 765. 26
17. VA files reviewed	5, 815
18. Powers of attorney	1, 368
19. Interviews	2, 213
20. Rating board appearances	3, 734
21. New claims	2, 002
22. Membership	93

Office: Philadelphia, Pa.:

1. New service connections	248
2. Compensation increased	1, 089
3. Compensation maintained	1, 911
4. Pension	453
5. Pension maintained	468
6. Social security	22
7. Education benefits	693
8. Miscellaneous	26
9. Death compensation	64
10. Death pension	312
11. Insurance	15
12. Burial allowances	255
13. Total awards	5, 556
14. Total monthly increases	$1, 036, 130. 00
15. Total retroactive payments	11, 977, 722. 00
16. Full amount	13, 013, 852. 00
17. VA files reviewed	10, 798
18. Powers of attorney	2, 424
19. Interviews	4, 558
20. Rating board appearances	5, 764
21. New claims	3, 458
22. Membership	692

Office: Wilkes-Barre, Pa.:

1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	2
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Wilkes-Barre, Pa.—Continued

10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	2
14. Total monthly increases	$879. 40
15. Total retroactive payments	25, 528. 10
16. Full amount	26, 407. 50
17. VA files reviewed	758
18. Powers of attorney	445
19. Interviews	4, 113
20. Rating board appearances	26
21. New claims	2, 493
22. Membership	731

Office: Pittsburgh, Pa.:

1. New Service connections	201
2. Compensation increased	841
3. Compensation maintained	2, 690
4. Pension	753
5. Pension maintained	221
6. Social security	58
7. Education benefits	497
8. Miscellaneous	134
9. Death compensation	37
10. Death pension	362
11. Insurance	34
12. Burial allowances	202
13. Total awards	6, 030
14. Total monthly increases	$1, 488, 775. 00
15. Total retroactive payments	7, 045, 912. 00
16. Full amount	8, 534, 687. 00
17. VA files reviewed	8, 247
18. Powers of attorney	1, 841
19. Interviews	6, 248
20. Rating board appearances	6, 729
21. New claims	3, 748
22. Membership	584

Office: San Juan, Puerto Rico:

1. New service connections	51
2. Compensation increased	689
3. Compensation maintained	1, 300
4. Pension	182
5. Pension maintained	363
6. Social security	11
7. Education benefits	294
8. Miscellaneous	3
9. Death compensation	4
10. Death pension	24
11. Insurance	0
12. Burial allowances	6
13. Total awards	2, 927
14. Total monthly increases	$1, 045, 246. 00
15. Total retroactive payments	11, 037, 547. 00
16. Full amount	12, 082, 793. 00

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: San Juan, Puerto Rico—Continued

17. VA files reviewed	5, 082
18. Powers of attorney	1, 213
19. Interviews	7, 730
20. Rating board appearances	2, 556
21. New claims	1, 710
22. Membership	658

Office: Providence, R.I.:

1. New service connections	70
2. Compensation increased	590
3. Compensation maintained	673
4. Pension	354
5. Pension maintained	18
6. Social security	16
7. Education benefits	256
8. Miscellaneous	0
9. Death compensation	20
10. Death pension	135
11. Insurance	43
12. Burial allowances	41
13. Total awards	2, 216
14. Total monthly increases	$424, 998. 00
15. Total retoractive payments	5, 595, 052. 00
16. Full amount	6, 020, 050. 00
17. VA files reviewed	6, 253
18. Powers of attorney	949
19. Interviews	4, 406
20. Rating board appearances	2, 441
21. New claims	665
22. Membership	217

Office: Columbia, S.C.:

1. New service connections	165
2. Compensation increased	353
3. Compensation maintained	1, 105
4. Pension	277
5. Pension maintained	148
6. Social security	40
7. Education benefits	242
8. Miscellaneous	15
9. Death compensation	21
10. Death pension	70
11. Insurance	27
12. Burial allowances	102
13. Total awards	2, 565
14. Total monthly increases	$505, 344. 00
15. Total retroactive payments	6, 401, 800. 00
16. Full amount	6, 907, 144. 00
17. VA files reviewed	4, 660
18. Powers of attorney	1, 728
19. Interviews	2, 457
20. Rating board appearances	1, 970
21. New claims	3, 251
22. Membership	174

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Sioux Falls, S.D.:

1.	New service connections	$30
2.	Compensation increased	200
3.	Compensation maintained	180
4.	Pension	137
5.	Pension maintained	129
6.	Social security	10
7.	Education benefits	171
8.	Miscellaneous	5
9.	Death compensation	12
10.	Death pension	11
11.	Insurance	6
12.	Burial allowances	44
13.	Total awards	935
14.	Total monthly increases	$227, 333. 00
15.	Total retroactive payments	2, 679, 109. 00
16.	Full amount	2, 906, 442. 00
17.	VA files reviewed	692
18.	Powers of attorney	357
19.	Interviews	1, 026
20.	Rating board appearances	894
21.	New claims	86
22.	Membership	260

Office: Nashville, Tenn.:

1.	New service connections	79
2.	Compensation increased	339
3.	Compensation maintained	873
4.	Pension	767
5.	Pension maintained	53
6.	Social security	22
7.	Education benefits	245
8.	Miscellaneous	8
9.	Death compensation	20
10.	Death pension	101
11.	Insurance	44
12.	Burial allowances	207
13.	Total awards	2, 758
14.	Total monthly increases	$536, 557. 00
15.	Total retroactive payments	6, 608, 309. 00
16.	Full amount	7, 144, 866. 00
17.	VA files reviewed	4, 563
18.	Powers of attorney	1, 590
19.	Interviews	3, 606
20.	Rating board appearances	3, 468
21.	New claims	5, 115
22.	Membership	349

Office: Waco, Tex.:

1.	New service connections	447
2.	Compensation increased	1, 764
3.	Compensation maintained	2, 466
4.	Pension	2, 758
5.	Pension maintained	252
6.	Social security	21
7.	Education benefits	1, 400
8.	Miscellaneous	38
9.	Death compensation	124
10.	Death pension	801
11.	Insurance	49
12.	Burial allowances	704
13.	Total awards	10, 824

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: Waco, Tex.—Continued

14. Total monthly increases	$1, 821, 137. 00
15. Total retroactive payments	22, 065, 889. 00
16. Full amount	23, 887, 026. 00
17. VA files reviewed	16, 445
18. Powers of attorney	4, 536
19. Interviews	4, 371
20. Rating board appearances	8, 205
21. New claims	5, 989
22. Membership	487

Office: Houston, Tex.:

1. New service connections	365
2. Compensation increased	996
3. Compensation maintained	1, 965
4. Pension	1, 178
5. Pension maintained	238
6. Social security	19
7. Education benefits	844
8. Miscellaneous	39
9. Death compensation	73
10. Death pension	422
11. Insurance	8
12. Burial allowances	102
13. Total awards	6, 250
14. Total monthly increases	$1, 195, 419. 00
15. Total retroactive payments	14, 284, 099. 00
16. Full amount	15, 479, 518. 00
17. VA files reviewed	11, 586
18. Powers of attorney	1, 799
19. Interviews	4, 017
20. Rating board appearances	6, 901
21. New claims	1, 542
22. Membership	283

Office: San Antonio, Tex.:

1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	70
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	70
14. Total monthly increases	$27, 918. 00
15. Total retroactive payments	573, 341. 00
16. Full amount	601, 259. 00
17. VA files reviewed	1, 207
18. Powers of attorney	2, 180
19. Interviews	9, 939
20. Rating board appearances	192
21. New claims	4, 125
22. Membership	620

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Lubbock, Tex.:	
1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	$17
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	17
14. Total monthly increases	$5, 764. 20
15. Total retroactive payments	162, 733. 93
16. Full amount	168, 498. 13
17. VA files reviewed	335
18. Powers of attorney	1, 218
19. Interviews	1, 459
20. Rating board appearances	17
21. New claims	1, 917
22. Membership	47

Office: Dallas, Tex.:	
1. New service connections	0
2. Compensation increased	0
3. Compensation maintained	0
4. Pension	0
5. Pension maintained	0
6. Social security	28
7. Education benefits	0
8. Miscellaneous	0
9. Death compensation	0
10. Death pension	0
11. Insurance	0
12. Burial allowances	0
13. Total awards	28
14. Total monthly increases	$9, 582. 60
15. Total retroactive payments	229, 039. 71
16. Full amount	238, 622. 31
17. VA files reviewed	1, 556
18. Powers of attorney	2, 069
19. Interviews	7, 887
20. Rating board appearances	53
21. New claims	2, 252
22. Membership	622

Office: Salt Lake City, Utah:	
1. New service connections	42
2. Compensation increased	357
3. Compensation maintained	806
4. Pension	75
5. Pension maintained	46
6. Social security	3
7. Education benefits	103

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—**Con.**

Office: Salt Lake City, Utah—Continued

8. Miscellaneous	$12
9. Death compensation	13
10. Death pension	33
11. Insurance	11
12. Burial allowances	102
13. Total awards	1, 603
14. Total monthly increases	$367, 187. 00
15. Total retroactive payments	4, 646, 967. 00
16. Full amount	5, 014, 154. 00
17. VA files reviewed	4, 197
18. Powers of attorney	388
19. Interviews	4, 481
20. Rating board appearances	1, 178
21. New claims	265
22. Membership	490

Office: White River Junction, Vt.:

1. New service connections	107
2. Compensation increased	267
3. Compensation maintained	208
4. Pension	198
5. Pension maintained	4
6. Social security	36
7. Education benefits	98
8. Miscellaneous	13
9. Death compensation	9
10. Death pension	34
11. Insurance	10
12. Burial allowances	37
13. Total awards	1, 021
14. Total monthly increases	$116, 321. 00
15. Total retroactive payments	2, 819, 397. 00
16. Full amount	2, 980, 718. 00
17. VA files reviewed	771
18. Powers of attorney	377
19. Interviews	1, 721
20. Rating board appearances	863
21. New claims	425
22. Membership	139

Office: Roanoke, Va.:

1. New service connections	145
2. Compensation increased	806
3. Compensation maintained	2, 443
4. Pension	817
5. Pension maintained	617
6. Social security	74
7. Education benefits	433
8. Miscellaneous	80
9. Death compensation	24
10. Death pension	171
11. Insurance	14
12. Burial allowances	78
13. Total awards	5, 702

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Roanoke, Va.—Continued	
14. Total monthly increases	$1, 174, 157. 00
15. Total retroactive payments	14, 692, 503. 00
16. Full amount	15, 866, 660. 00
17. VA files reviewed	8, 534
18. Powers of attorney	2, 218
19. Interviews	4, 511
20. Rating Board appearances	7, 383
21. New claims	2, 551
22. Membership	608
Office: Seattle, Wash.:	
1. New service connections	204
2. Compensation increased	707
3. Compensation maintained	831
4. Pension	1, 000
5. Pension maintained	35
6. Social security	16
7. Education benefits	893
8. Miscellaneous	20
9. Death compensation	38
10. Death pension	402
11. Insurance	40
12. Burial allowances	148
13. Total awards	4, 334
14. Total monthly increases	$844, 849. 00
15. Total retroactive payments	9, 694, 621. 00
16. Full amount	10, 539, 470. 00
17. VA files reviewed	4, 682
18. Powers of attorney	1, 672
19. Interviews	2, 827
20. Rating board appearances	3, 185
21. New claims	3, 011
22. Membership	200
Office: Huntington, W. Va.:	
1. New service connections	37
2. Compensation increased	312
3. Compensation maintained	626
4. Pension	516
5. Pension maintained	140
6. Social security	23
7. Education benefits	260
8. Miscellaneous	21
9. Death compensation	9
10. Death pension	123
11. Insurance	9
12. Burial allowances	165
13. Total awards	2, 241
14. Total monthly increases	$406, 803. 00
15. Total retroactive payments	4, 888, 487. 00
16. Full amount	5, 295, 290. 00
17. VA files reviewed	3, 465
18. Powers of attorney	1, 251
19. Interviews	2, 981
20. Rating board appearances	2, 206
21. New claims	2, 819
22. Membership	483

Recapitulation of Service Activities, July 1, 1977 through June 30, 1978—Con.

Office: Milwaukee, Wis.:	
1. New service connections	$88
2. Compensation increased	672
3. Compensation maintained	1, 501
4. Pension	563
5. Pension maintained	120
6. Social security	24
7. Education benefits	777
8. Miscellaneous	128
9. Death compensation	30
10. Death pension	265
11. Insurance	43
12. Burial allowances	304
13. Total awards	4, 515
14. Total monthly increases	$1, 123, 334. 00
15. Total retroactive payments	12, 984, 908. 00
16. Full amount	14, 108, 242. 00
17. VA files reviewed	5, 746
18. Powers of attorney	1, 320
19. Interviews	1, 772
20. Rating board appearances	3, 468
21. New claims	1, 940
22. Membership	224
Office: Cheyenne, Wyo.:	
1. New service connections	38
2. Compensation increased	139
3. Compensation maintained	371
4. Pension	179
5. Pension maintained	77
6. Social security	4
7. Education benefits	80
8. Miscellaneous	16
9. Death compensation	9
10. Death pension	43
11. Insurance	4
12. Burial allowances	42
13. Total awards	1, 002
14. Total monthly increases	$277, 444. 00
15. Total retroactive payments	3, 501, 544. 00
16. Full amount	3, 778, 988. 00
17. VA files reviewed	1, 043
18. Powers of attorney	363
19. Interviews	1, 344
20. Rating board appearances	516
21. New claims	547
22. Membership	244

National Commander MEADOWS. I was out on a ranch out in a rural area two weeks ago. I was busy doing something, and an individual came out in the middle of the day and hunted me up, and he was an old veteran, an elderly veteran who had been in the hospital there in Texas, and he had been recently released.

He heard that I had something to do with the DAV, so he made a point to come out and thank me. He said to me, "They told me in the hospital that if you want to get anything done, you better see the DAV." And that is the kind of reputation that I hope and believe that the DAV Service Department has.

As I was listening to this report, to these two reports. I thought of one other thing that I would like to ask you to do and join with me in thinking about. Just this last year two people that had to do with building the reputation of this organization, one man some of you here will remember is Charlie Foster who was in the Legislative Department of the DAV many years ago, and Bill Flaherty, who served for many years in the Legislative Department in Washington and was very well liked among and around the Congress.

Both died last year, and for those of you that remember them, I would focus your attention on our two good friends.

Now, I will entertain a motion to accept this report. Microphone Number 1.

Mr. TILLMAN. Microphone Number 1, James Edgar Tillman, Jr. I would like to make a motion to accept it, and I apologize for interrupting before.

National Commander MEADOWS. There is no apology needed. Microphone 3.

Mr. JACKSON. P. D. Jackson, Buddy's Chapter Number 11, Dallas, Texas, takes great pleasure in seconding the motion after that great report we heard from both of those fine employees of ours.

National Commander MEADOWS. Is there discussion? Those in favor of acceptance of the report, signify by saying Aye; those opposed. The motion is carried.

Now then, I will ask the national adjutant to read the committee assignments.

National Adjutant ADAMS. Constitution and Bylaws: District 1, Frank Shumski; alternate, Thomas Daley. District 2, Bruce Pettijohn; alternate, Bernard Bonner. District 3, Metro Ostash; alternate, Dan Barry. District 4, Thomas Mizell; alternate, James Humphries. District 5, Mary Howard; alternate, Kenneth Morris.

District 6, Michael Fedorak; alternate, B. H. Whitten. District 7, Cecil Disney; alternate, William McGovern. District 8, Fred Bristol; alternate, none. District 9, Wilbur Standley; alternate, Kenneth Grunewald. District 10, Elwyn Rhodes; alternate, Peter DeGeus. District 11, George Carey; alternate, Julian Trujillo.

District 12, Charles Vincent; alternate, Sylvester Hoffman, District 13, Howard Tolbert; alternate, Gayle Walker. District 14, Jack Feighner; alternate, P. D. Jackson. Blind Veterans, Roy L. Budd Smith.

Credentials Committee: District 1, Armand Plaisance; alternate, George E. LeSage. District 2, Larry D. Davis; alternate, Michael J. Scricca. District 3, George Fischer; alternate, James Covington. District 4, James B. Strawder, Jr.; alternate, Frank Kaiser.

District 5, John J. Shea; alternate, Lawrence W. Bouska. District 6, Atha M. Foster; alternate, Bert Ladner. District 7, Greg Reed; alternate, Piniel Grim. District 8, Marvin Roslansky. District 9, George Robinson; alternate, John O. Benid.

District 10, William J. Disher; alternate, Charles E. Wilson. District 11, Larry Norman; alternate, Harry Johnson. District 12, Gene Twiford; alternate, Wilfred H. Seetoo. District 13, Ray Pearer; alternate, Dan Kenny. District 14, Robert D. Bales; alternate, Hknry Currie. Blind Veterans, James Tillman.

Employment: District 1, Italo Cafaro; alternate, George Vincent. District 2, John W. Holly, alternate, Albert Church. District 3, Harry Pollack; alternate, Dwight Marshall. District 4, Carol A. Jackson; alternate, Thomas Bland.

District 5, Fred J. Welsh; alternate, Anne Margaret Parkhurst. District 6, Gerald E. Humphries; alternate, Mark R. Clary. District 7, Richard R. Snyder; alternate, Fred Nanney. District 8, Jack Follis; alternate, Bob Elliott. District 9, James C. Paul; alternate, John A. Hill.

District 10, Jack Hilleboe; alternate, Dennis Mensing. District 11, Joe Evanoski; alternate, Ernie Fender. District 12, Pat Young; alternate, Bob Jack. District 13, Jack Thompson; alternate, Herbert Miller. District 14, Jimmy Foster; alternate, Ray Crain.

Finance and Dues: District 1, Arthur Cushing; alternate, James G. Murphy. District 2, Roy Aloisio; alternate, Steven Stupak. District 3, Oscar M. Richards; alternate, Sal Janotti. District 4, William D. Wiggins, Jr.; alternate, Werren B. Lone.

District 5, Filmore M. Thomas; alternate, Andrew Marshall. District 6, Hollis Bridges; alternate, Roy Mitchell. District 7, Mike Page; alternate, Marlyn Wagner. District 8, Alfred W. Grajek. District 9, Henry W. Prokop; alternate, Robert J. Meints.

District 10, Edwin C. Larson; alternate, Harry VandeMore. District 11, Percy Newell; alternate, Karl Fischer. District 12, Nash Ramirez; alternate, Craig Crossley. District 13, Chuck Johnston; alternate, Myron Cunningham. District 14, Yael Freelander; alternate, Alvin Holdcraft. Blind Veterans, Jake Finn.

General Resolutions: District 1, Samuel B. Mullin; alternate, Michael A. Corcoran. District 2, Mike Truscello; alternate, Lester S. Garo. District 3, Peter P. Salerno; alternate, Roger Coryell. District 4, Roy J. Mitchell; alternate, Alexander Pittman.

District 5, Martin Levy; alternate, Sidney L. Wise. District 6, E. E. Hutchison; alternate, James A. Ribby. District 7, Allan C. Williams; alternate, John Weiss. District 8, Leo H. DeGreef. District 9, Barney Barfield; alternate, Georgia R. Booth.

District 10, Delbert B. Nelson; alternate, Rex Kiser. District 11, Walter Jones; alternate, Ralph Griego. District 12, Paul Jarret; alternate, Donald E. Bloom. District 13, Dale White; alternate, Connie Potter. District 14, Marshall Aguilar; alternate, A. Hunt. Blind Veterans, Bernard Frank.

Legislation: District 1, Manuel Trindade; alternate, George Young. District 2, Douglas Jones; alternate, Ralph Daigler. District 3, Samuel J. Rinella; alternate, Karl Berger. District 4, Albert H. Linden, Jr.; alternate, William L. McCauley.

District 5, Craig A. Bridges; alternate Charlie Thompson. District 6, Wiley M. Parrish; alternate, D. H. Eunice. District 7, Donald Herndon; alternate, Leonard Buzalski. District 8, Edmund Reczek. District 9, Dick Follis; alternate, Jim Morgan.

District 10, Hiram J. Fuller; alternate, John McGlynn. District 11, Eileen Borini; alternate, Arthur Meiers. District 12, John Glass; alternate, Morris Shepherd. District 13, Don Ireland; alternate Hugh Conover. District 14, W. R. Huber; alternate, Ben White. Blind Veterans, Vincent Muscarella.

Medical Care Services: District 1, Richard Stentiford; alternate, Vasil Gartsu. District 2, Robert J. Mussari. District 3, J. Steward; alternate, John Hoden. District 4, Russell R. Henderson; alternate, Lester T. Flint. District 5, Marion David Nesbitt; alternate, Bert Zimmer.

District 6, Hassell Thigpen; alternate, David Pledger. District 7, Kenneth Wolfe; alternate, Larry Madden. District 8, Don Smith; alternate, Harold Bleckman. District 9, Kevin Killeen; alternate, Larry Jatho. District 10, Gilbert Larson; alternate, John Dossey.

District 11, Harold F. Tomlin; alternate, Ernest Peaslee. District 12, Gordon Elliott; alternate, Burton Spickler. District 13, Jimmie Chilton; alternate, Bertha Mossman. District 14, Clifton Hicks; alternate, Wervlan Pleasant.

Membership and Volunteer Services: District 1, Domenico Zannini; alternate, Stanley Greeley. District 2, Joe Llewellyn. District 3, Robert Redington; alternate, Michael Siriani. District 4, Mary Susan Humphries; alternate, Ralph L. Hartman.

District 5, Lester L. Pittman; alternate, Charles N. Cook. District 6, Homer Collins, Jr.; alternate, Reva W. Minnick. District 7, Nick Marinelli; alternate, Robert Benton. District 8, James Freisema; alternate, H. Baumgartner. District 9, Angelo Oliver; alternate, Joe P. Hernandez, Sr.

District 10, Duane R. Krueger; alternate, Victor Hass. District 11, Rich Hagman; alternate, Victor Grant. District 12, Donald E. Downard; alternate, G. W. Perkins. District 13, John Palmiter; alternate, Harley Smith. District 14, E. D. Powell; alternate, Norman Wenskay. Blind Veterans, Edmund Fibich.

National Security: District 1, Frederick J. Ingerson; alternate, Frank King. District 2, Lew Davis. District 3, Michael J. Grove; alternate, Frank Mitchell. District 4, Anna Mae Berg; alternate, Manuel Ornelas. District 5, Colonel Joseph Garafola; alternate, Charles M. McLeod.

District 6, Francis W. Cunningham; alternate, Simon George Bordelon. District 7, William Whetsel; alternate, James Ruppenthal. District 8, Norm Leibham. District 9, Benny Daniels; alternate, Ralph Spann. District 10, Warren R. Johnson; alternate, Bernard A. Wagner.

District 11, George Coleman; alternate, Vito J. Abbato. District 12, Dana Greenleaf; alternate, Wayne Olson. District 13, Lawrence Timbers; alternate, Bea Horn. District 14, Charles Altman; alternate, D. J. Limph.

Nomination of National Officers: District 1, Joseph R. Harold; alternate, Horace G. Still. District 2, Nicholas Cachianes; alternate, Frank Randazzo. District 3, Marvin Silver; alternate, Robert L. Hedstrom. District 4, Emanuel Orenberg; alternate, Jesse Brown.

District 5, John C. McCarthy; alternate, Emmett Gore, Jr. District 6, James E. Durham; alternate, Billy R. Black. District 7, Jack O. Hicks; alternate, Kenneth Robey. District 8, James V. Pellegrini; alternate, C. Pops La Fray. District 9, John K. Benoit; alternate, Hubert Rednour.

District 10, John R. Merthan; alternate Merle D. Wilmes. District 11, Ray Bailey; alternate, Paul Bagley. District 12, Harry E. Wentworth; alternate, William E. Berry. District 13, Jeanne McLeran; alternate, Ernest French. District 14, William O. Cooper; alternate, Paul Wrenn. Blind Veterans, Walter Rohr.

Time and Place: District 1, George J. Lynch; alternate, Wilfred Bilodean. District 2, Louis Sasso; alternate, Norman E. Jacklin. District 3, Jack L. Tedrow; alternate, Irving Meadow. District 4, Vincent Aponte; alternate, Tomme Ruth Pierre.

District 5, Billy J. Nix; alternate, Jack Schwartz. District 6, Charles Huber; alternate, Donald L. Samuels. District 7, Frank Wood; alternate, Paul Dzeiak. District 8, John E. Hannan; alternate, J. Chief Durbala. District 9, John Vulcano; alternate, Michael J. De Palma.

District 10, John Russo; alternate, Robert M. Quigley. District 11, Edward Shockey; alternate, Vince Cassidy. District 12, George Taketa; alternate, Robert Focht. District 13, Don Barnes; alternate, Ward Bessie. District 14, Jim Bigger: alternate, Charles Burden. Blind Veterans, Joseph Schlichtig.

Veterans Rights: District 1, Vincent Reed; alternate, Vernon Cardosi. District 2, Paul J. Tuliano; alternate, Richard J. Clark. District 3, Norman Witkin; alternate, Michael Mastrean. District 4, James M. Combs; alternate, Sam Daniel. District 5, John Barr; alternate, Paul L. Nelson.

District 6, Dewey L. Alford; alternate, Preston Jackson. District 7, Verne Nygaard, alternate, John Kirch. District 8, Chester Clute. District 9, Daniel H. Burton; alternate, John E. Gogan. District 10, David F. Ryan; alternate, Reuban D. Wenzel.

District 11, Chuck Lord; alternate, George Wiggett. District 12, Larry Dawson; alternate, Neil Harrington. District 13, Otto Rudolph; alternate, Martin Sofie. District 14, Ken Smith; alternate, Nick Munsterman.

This completes the committees, Commander.

This afternoon's business session will begin promptly at 1:00 o'clock. We are scheduled to hear the report of the chairman of the National Finance Committee. We will also have presentations of Membership Awards and Employment Awards.

The Nominating Committee will meet at 9:00 o'clock tomorrow morning in the Cyprus Room for the purpose of interviewing candidates.

I have a letter, Commander, from the mayor, county of Hawaii. He says:

> It is my honor to convey to you the warm greetings of the citizens of the County of Hawaii and our best wishes for a most successful convention.
>
> The great personal sacrifice which each of you made in the service of America's Armed Forces contributed greatly to our Nation's security and well-being. You displayed to the peoples of the world that the preservation of life, liberty and the pursuit of happiness is a cause which Americans are willing to fight and die for.
>
> Your interest in matters that affect the American way of life is still sorely needed and we look forward to your continued involvement in the daily activities of your respective communities.
>
> Additionally, may I, in behalf of the people of our Island, extend to you, through Mr. George Taketa, state department commander of Disabled American Veterans, an invitation to hold your 1980 annual convention in the State of Hawaii. With warmest Aloha, Herbert T. Matayoshi, Mayor, County of Hawaii.

[Applause.]

National Commander **Meadows**. If there is no other business to come before us in this morning's session, I will ask the chaplain to come and dismiss us.

National Chaplain **Bergstrom**. Almighty and Ever-loving God, as we come together as delegates and brothers and sisters in Thy Name, let us always remember we are one, not only in experience and membership in the DAV, but one in Thy family, now and always. Amen.

National Commander **Meadows**. We will recess until 1 o'clock.

[Whereupon, the meeting recessed at 11:40 a.m., August 14, 1978.]

SECOND BUSINESS SESSION

August 14, 1978

The second business session of the 57th National Convention of the Disabled American Veterans convened in the Continental Ballroom of the San Francisco Hilton Hotel, San Francisco, Calif., Monday, August 14, 1978, and was called to order at 1 p.m. by Senior Vice-Commander Billy O. Hightower.

Senior Vice-Commander BILLY O. HIGHTOWER. The convention will please come to order. Would you please join me in a salute to the flag.

[Salute to the flag.]

Senior Vice-Commander HIGHTOWER. Would you remain standing, and we will have the chaplain lead us in prayer.

National Chaplain BERGSTROM. Let us pray: Almighty and everlasting Father, we ask Thy presence to be felt among us as we gather together in Thy Name. May the things that we do this day be to the benefit of disabled veterans, widows and orphans, and let us never forget those who are imprisoned behind walls which are seen and unseen.

Those who are suffering, let their suffering not be far from our hearts and minds at this time. This we ask in Your Name. Amen.

Senior Vice-Commander HIGHTOWER. You may be seated. At this time I would like to introduce Paul Freeman—Paul is chairman of the National Finance Committee—for his report. Paul.

NEC Fourteenth District PAUL G. FREEMAN. Thank you, Senior Vice-Commander Hightower. National Commander Meadows, distinguished guests, and members of the Disabled American Veterans: I am very pleased to report to you, the members of the Disabled American Veterans, that this past year was again another financial successful year in our organization's history.

To begin my report, I will introduce the members of the National Finance Committee. They are as follows: Lew Snowbeck of Minnesota; Walter F. Morgan of Massachusetts; Metro Ostash of Pennsylvania and our esteemed national commander from the great State of Texas, Oliver E. Meadows.

During 1977, our organization spent 51.6 percent of the funds contributed by the public in support of our service program. This compares favorably to the 50.8 percent spent in 1976. I am proud to announce that the administrative costs for 1977 were only 4.4 percent of total revenues, compared to 4.9 percent in 1976.

Revenues from funds contributed increased in 1977 by $876,000 over those of the previous year. The amount spent on program services increased by $630,000 over 1976. We were once again able to appropriate additional funds to the Scholarship Fund, Emergency Relief Fund, and the Disaster Fund, which brings sustaining financial assistance to disabled veterans, their widows and dependents when they encounter emergency situations and are in need of disaster relief.

Since the date of its inception on January the 1st, 1973, a total of $637,085 has been granted to 7,089 relief fund applicants from across the country from the national service officers. The bulk of these emergency funds has been for food and housing.

Since 1968, we have granted $428,377 in disaster assistance, and we have given grants totaling $946,740 for scholarships to deserving children of needy, disabled veterans.

In order to carry out the Disabled American Veterans' responsibility to our nation's disabled veterans, we have on our staff as of May 31st, 1978, 262 national service officers, including 25 trainees, primarily Vietnam veterans.

The committee proposed that the DAV appropriate $100,000 to provide financial support to the Vietnam Veteran Peace and Brotherhood Chapel located in Taos, New Mexico, providing up to $10,000 per year for the next ten years.

The committee also approved an additional grant of $40,000 to the Cleveland State University to enable Dr. John P. Wilson to complete his "Forgotten Warrior" project, a study of the psychological effects of the Vietnam War on the Vietnam War veteran.

The vitality and stability of the Disabled American Veterans organization was clearly evidenced when the National Finance Committee considered the proposed budget for 1979. The proposed budget provides for continued growth of DAV service program by allocating more than $12 million to service cost and expenses in 1979.

The projected service expenditures included $500,000 for scholarships, $500,000 for emergency relief, and $500,000 for disaster relief.

I am pleased to report that the Life Membership Fund balance of December 31st, 1977, was $17,956,511, an increase of $3,036,306 over 1976. The number of life memberships increased this period from 245,110 to 278,228. The number of life members at June 30th, 1978 was an all-time high of 301,893 members.

In conclusion and on behalf of the entire National Finance Committee, I want to take this opportunity to commend our national adjutant, Denvel D. Adams, and his staff for a job well done. Mr. Commander, this completes my report.

[Whereupon, National Commander Meadows assumed the chair.]

National Commander MEADOWS. You have heard the report of the chairman of the Finance Committee. As I said yesterday in the meeting of the Finance Committee, of which I am a member, it certainly is fun to serve on the Finance Committee of a financially sound organization. I hope I never have the opportunity to serve on one that is broke or in stress, but as our chairman has indicated to you, the organization is in sound financial condition.

I hope that we are fulfilling our obligation to commit the resources to the cause for which they were intended, the cause to which the American public has donated a great part of them intended to be used, and I feel that we are in the program that this organization supports, that we are living up to our trust and applying these substantial financial resources to causes to which they were intended.

Now I will entertain a motion for the acceptance of this report.

Mr. TILLMAN. Mike Number 1, Tillman, Blind Chapter. I make a recommendation that we accept the report of the Finance Committee.

National Commander MEADOWS. Is there a second?

Mr. ROY MITCHELL. Roy Mitchell, Chapter 6, Department of Virginia. I would like to second the motion.

National Commander MEADOWS. Thank you. Is there discussion? There is none. Those in favor of accepting the report will signify by saying Aye; those opposed. The Ayes have it; the report is accepted.

DISABLED AMERICAN VETERANS NATIONAL HEADQUARTERS—FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1977, AND OPINION OF CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Opinion of Haskins & Sells. *Exhibit*
Financial statements:
  Balance sheets ---------- A
  Statement of support, revenue and expenses, and changes in fund balances ---------- B
  Statement of functional expenses ---------- C
  Notes to financial statements.

HASKINS & SELLS,
CERTIFIED PUBLIC ACCOUNTANTS,
Cincinnati, Ohio, March 17, 1978.

NATIONAL FINANCE COMMITTEE,
Disabled American Veterans,
National Headquarters, Cold Spring, Ky.

DEAR SIRS: We have examined the financial statements of Disabled American Veterans, National Headquarters, for the year ended December 31, 1977, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 7 to the financial statements, Disabled American Veterans has been assessed certain federal income taxes for the years 1970 through 1973, and there are indications that similar assessments may also be proposed for 1974 through 1977. In order to contest the assessments for 1970 through 1973 in the U.S. Court of Claims, Disabled American Veterans paid the amounts assessed and recorded such amounts in the accompanying unrestricted fund balance sheets as a claim for refund of taxes. The amount of such refund that may ultimately result from the action in the U.S. Court of Claims or any additional tax payments that may be required for 1974 through 1977 are not presently determinable.

In our opinion, subject to the effects of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the financial statements listed in the table of contents present fairly the financial position of Disabled American Veterans, National Headquarters, at December 31, 1977, and the results of its operations and changes in its fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

HASKINS & SELLS.

EXHIBIT A

DISABLED AMERICAN VETERANS, NATIONAL HEADQUARTERS BALANCE SHEETS, DEC. 31, 1977, AND 1976[1]

	1977	1976
ASSETS		
Unrestricted operating and designated funds:		
Current assets:		
Cash	$590, 220	$412, 534
U.S. Government securities—at cost (approximate market)	11, 279, 113	6, 982, 667
Accounts receivable	475, 392	460, 677
Interest receivable, etc	288, 608	210, 625
Inventories (note 2)	1, 081, 857	454, 460
Prepaid expenses	365, 902	433, 366
Total current assets	14, 081, 092	8, 954, 329
Investments in securities—at cost (approximate market value: 1977, $12,809,370; 1976, $12,815,361) (note 2)	13, 141, 407	12, 367, 091
Claim for refund of taxes (note 2)	4, 267, 140	4, 267, 140
Total, unrestricted operating and designated funds	31, 489, 639	25, 588, 560
Fixed assets fund (note 2):		
Property leased to others (less accumulated depreciation: 1977, $2,189,954; 1976, $2,083,541	1, 266, 852	1, 372, 323
Construction in progress	139, 559	
Land, buildings and equipment (less accumulated depreciation: 1977, $1, 988,715; 1976, $1,645,835)	7, 129, 355	7, 374, 894
Total, fixed assets fund	8, 535, 766	8, 747, 217
Restricted life membership fund (note 4):		
Cash	106, 351	130, 041
Accrued interest and dividends receivable	238, 665	237, 703
U.S. Government securities—at cost (approximate market)	2, 708, 198	2, 567, 506
Investments in securities—at cost (approximate market value: 1977, $14,454,536; 1976, $12,181,323) (note 2)	14, 927, 195	12, 018, 616
Total restricted life membership fund	17, 980, 409	14, 953, 866
LIABILITIES AND FUND BALANCES		
Unrestricted operating and designated funds:		
Current liabilities:		
Accounts payable	523, 713	437, 646
Accrued expenses (principally salaries, vacation pay and sick pay)	1, 153, 981	952, 729
Deferred credits—dues and service fees collected in advance, etc	1, 014, 052	957, 469
Total, current liabilities	2, 691, 746	2, 347, 844
Operating and designated funds:		
Undesignated operating fund available for general activities	23, 194, 634	18, 640, 420
Designated by the National Finance Committee for (note 3):		
Scholarships	2, 542, 715	2, 236, 605
Emergency relief	867, 233	606, 509
Disasters	2, 193, 311	1, 757, 182
Total	28, 797, 893	23, 240, 716
Total, unrestricted operating and designated funds	31, 489, 639	25, 588, 560
Fixed assets fund—fund balance, total	8, 535, 766	8, 747, 217
Restricted life membership fund:		
Accounts payable	14, 898	24, 661
Fund balance	17, 965, 511	14, 929, 205
Total restricted life membership fund	17, 980, 409	14, 953, 866

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[1] See notes to financial statements.

EXHIBIT B

DISABLED AMERICAN VETERANS, NATIONAL HEADQUARTERS—STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DEC. 31, 1977 WITH COMPARATIVE TOTALS FOR 1976

	Unrestricted operating fund	Fixed assets fund	Restricted life membership fund (note 4)	Total all funds	
				1977	1976
Support and revenue:					
Support:					
Contributions and revenue received from direct mail solicitations, etc	$21,719,439			$21,719,439	$20,828,801
Donations and bequests	13,904			13,904	28,420
Total, support	21,733,343			21,733,343	20,857,221
Revenue:					
Membership dues and fees	1,092,596		$3,704,617	4,797,213	4,504,932
Income from investments (principally interest)	1,181,842		1,041,079	2,222,921	1,687,083
Gain (loss) on sale of securities (note 2)	(217)		1,124	907	326,177
Rental from leased property, less related direct costs (1977, $62,896; 1976, $58,543)	288,704	($106,413)		182,291	189,516
Sale of emblems, etc., less related direct costs (1977, $427,201; 1976, $307,468)	164,674			164,674	100,224
Advertising and subscription revenue	8,630			8,630	137,841
Miscellaneous	70,978			70,978	84,196
Total revenue	2,807,207	(106,413)	4,746,820	7,447,614	7,029,969
Total support and revenue	24,540,550	(106,413)	4,746,820	29,180,957	27,887,190
Expenses (Exhibit C):					
Program services:					
Service to veterans and dependents:					
Maintenance of staff of national service officers	8,930,517	180,461		9,110,978	8,600,160
Other	555,102	330	731,378	1,268,810	1,135,222
Service to members—publication of DAV magazine	826,441			826,441	858,797
Total program services	10,312,060	180,791	731,378	11,224,229	10,594,179
Supporting services:					
Fund raising costs related to contributions and revenue received from direct mail solicitation	7,240,684	135,794		7,376,478	8,050,492
National headquarters expenses for administration of all activities	1,230,080	51,276		1,281,356	1,377,484
Membership department	895,886	20,976		916,862	914,906
Total supporting services	9,366,650	208,046		9,574,696	10,342,892
Total expenses	19,678,710	388,837	731,378	20,798,925	20,937,061
Excess of public support and revenue over expenses	4,861,840	(495,250)	4,015,442		
Other changes in fund balances:					
Transfer of life membership dues and fees to unrestricted operating fund	979,136		(979,136)		
Fixed assets, including construction in progress, purchased by unrestricted operating fund—net of retirements	(283,799)	283,799			
Fund balances, beginning of year	23,240,716	8,747,217	14,929,205		
Fund balances, end of year	28,797,893	8,535,766	17,965,511		

See notes to financial statements.

EXHIBIT C

DISABLED AMERICAN VETERANS, NATIONAL HEADQUARTERS—STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DEC. 31, 1977 WITH COMPARATIVE TOTALS FOR 1976

	Program services				Supporting services				Total expenses	
	Services to Veterans and Dependents									
	Maintenance of staff of national service officers	Other	Publication of DAV monthly magazine	Total	Fund raising costs	Admnistrative and general expenses	Membership	Total	1977	1976
Salaries	$5,678,892			$5,678,892	$2,042,534	$589,915	$323,623	$2,956,072	$8,634,964	$8,052,664
Employee benefits	1,519,184			1,519,184	510,043	160,870	81,366	752,279	2,271,463	2,201,677
Disbursements for scholarship, disaster, and relief purposes		$497,037		497,037					497,037	376,511
Grants to other organizations		50,000		50,000					50,000	92,371
Expenses of national convention	156,360			156,360					156,360	139,742
Expenses of national commander and staff	124,915			124,915					124,915	215,878
Payroll taxes	376,405			376,405	171,481	30,397	22,764	224,642	601,047	557,514
Travel expenses—Field service units and others	475,955			475,955	5,233	46,810	2,637	54,680	530,635	552,920
Postage, printing, and stationery	123,325			123,325	800,056	52,915	108,861	961,832	1,085,157	1,244,442
Rental of space and equipment	13,948			13,948	64,379	23,862	24,483	112,724	126,672	143,523
Supplies	99,646			99,646	66,014	47,907	250,298	364,309	463,955	335,390
Relocation of personnel	45,296			45,296					45,296	56,999

Expenses of national officials at State conventions	28, 198			28, 198					28, 198	21, 449
Insurance	40, 934			40, 934	22, 637	37, 277	1, 784	61, 698	102, 632	107, 523
Telephone and telegraph	39, 689			39, 689	3, 916	31, 430	1, 734	37, 080	76, 769	65, 560
Maintenance and repairs	45, 570			45, 570	69, 594	9, 920	10, 164	89, 678	135, 248	125, 819
Express and hauling	1, 727			1, 727	58, 097	4, 936	3, 496	66, 529	68, 256	34, 318
Outside service—labor	1, 865			1, 865					1, 865	1, 456
Field service units project cost	55, 151			55, 151					55, 151	73, 118
Printing and mailing magazine			$793, 135	793, 135					793, 135	832, 635
Commissions					200, 014			200, 014	200, 014	191, 953
Cost of soliciation mailings—materials					3, 195, 457			3, 195, 457	3, 195, 457	3 601, 840
Awards						4, 424	63, 020	67, 444	67, 444	86, 577
Heat, light, water, and power	32, 278			32, 278	112, 219			112, 219	144, 497	170, 911
Security service	32, 598			32, 598	74, 892			74, 892	107, 490	95, 561
Laundry					7, 771			7, 771	7, 771	7, 543
Professional fees						70, 177		70, 177	70, 777	82, 704
Agency service fees and public relations						71, 437		71, 437	71, 437	75, 378
Dues and subscriptions						17, 103		17, 103	17, 103	33, 371
Other	38, 581	8, 065	33, 306	79, 952	10, 311	30, 700	1, 656	42, 667	122, 619	121, 378
(Increase) decrease in labor and overhead costs in inventory					(174, 054)			(174, 054)	(174, 054)	214, 206
Total expenses before depreciation and distribution of dues	8, 930, 517	555, 102	826, 441	10, 312, 060	7, 240, 684	1, 230, 080	895, 886	9, 366, 650	19, 678, 710	19, 935, 931
Depreciation of fixed assets	180, 461	330		180, 791	135, 794	51, 276	20, 976	208, 046	388, 837	374, 911
Distribution of dues for social services provided by:										
Chapters		474, 756		474, 756					474, 756	404, 654
Departments		256, 622		256, 622					256, 622	221, 565
Total expenses	9, 110, 978	1, 286, 810	826, 441	11, 224, 229	7, 376, 478	1, 281, 356	916, 862	9, 574, 696	20, 798, 925	20, 937, 061

See notes to financial statements.

Disabled American Veterans, National Headquarters—Notes to Financial Statements, December 31, 1977

1. Organization

The Disabled American Veteran (DAV) is a Congressionally Chartered, not-for-profit service organization specifically organized to provide for the rehabilitation and continuing welfare of the Nation's disabled veterans, their families, dependents and survivors. DAV's principal activity is the maintenance of national service officers in all Veterans Administration Regional and Central offices to assist veterans in obtaining benefits to which they are entitled under law. Other charitable activities include coordination of DAV's state departments and local chapters in providing volunteer services to the community for volunteer work at VA hospitals. DAV also maintains special need programs for emergency relief, disaster relief and scholarships to disabled veterans and their dependents.

2. Summary of significant accounting policies

Financial statements.—The accompanying financial statements have been prepared in accordance with the principles contained in the "Audit of Voluntary Health and Welfare Organizations" published by the American Institute of Certified Public Accountants.

Leased property.—Property leased to others is accounted for under the operating method of accounting for lease transactions, and has accordingly been segregated from other property assets in the balance sheets.

Inventories.—Inventories, stated at the lower of cost (principally on the first-in, first-out basis) or market, are as follows at December 31, 1977:

Materials and supplies	$401, 867
Solicitation materials	679, 990
Total	1, 081, 857

Investment gains and losses.—Investments in securities are recorded at cost. Gains and losses resulting from the sale of such securities are recognized at the time of disposition and are computed using the specific identification method.

Fixed assets.—Fixed assets are stated at cost less accumulated depreciation, and are comprised of the following at December 31, 1977:

	Cost	Accumulated depreciation	Net book value
Property leased to others	$3, 456, 806	$2, 189, 954	$1, 266, 852
Construction in progress	139, 559		139, 559
Land and improvements	778, 015	90, 102	687, 913
Buildings, building equipment and improvements	5, 869, 015	628, 636	5, 240, 379
Machinery and other equipment	2, 471, 040	1, 269, 977	1, 201, 063
Total land, buildings and equipment	9, 118, 070	1, 988, 715	7, 129, 355
Total	12, 714, 435	4, 178, 669	8, 535, 766

Depreciation is computed generally on the straightline method over the estimated useful lives of assets which range from 3 to 50 years, and amounted to $495,250 for 1977.

3. Designated funds

Certain unrestricted funds have been designated by the National Finance Committee for the following purposes:

Scholarships.—For scholarships and financial assistance to disabled veterans' dependents who qualify scholastically and are in need of financial aid.

Disasters.—For assistance to disabled veterans and their families who have suffered losses resulting from natural disasters.

Emergency relief.—For financial assistance to disabled veterans for emergency health and welfare reasons.

4. *Restricted Fund*

Under the by-laws of the DAV, life membership in the organization is available and amounts so paid are required to be placed in a separate life membership fund and invested; the only allowable withdrawals from the fund are amounts required to pay chapter, department and national per capita dues for life members.

Life membership fees received in 1977 ($3,704,617) are restricted for payment of future membership dues. Amounts paid in 1977 to chapters and departments ($731,378) and to the operating fund ($979,136) are based on the number of life members, and are the maximum amounts allowable under the by-laws. The restricted fund balance represents the estimated amount necessary to provide for dues for existing life members over their remaining lifetimes.

5. *Pension Plan*

DAV has a pension plan covering substantially all of its employees. The normal cost for the year was $1,331,750, which includes amortization of prior service cost over the estimated lives of active participants, as determined under the aggregate cost method. The organization's policy is to fund pension cost accrued. As of January 1, 1977 (the date of the most recent actuarial valuation) the actuarially computed value of vested benefits exceed the total of the pension fund and the balance sheet accrual by approximately $440,000.

6. *Disabled American Veterans Service Foundation*

The balance sheets do not include the net assets of the Disabled American Veterans Service Foundation which are held in trust by the Foundation and available to National Headquarters only by appropriation or dissolution of the Foundation. Based upon the most recent unaudited financial statements, net assets of the Foundation were approximately $977,000 at January 9, 1978.

7. *Internal Revenue Service Examination*

During 1976, the Internal Revenue Service, as a result of its examination of the years 1970 through 1973, assessed DAV taxes in the amount of $3,510,000 and interest of $757,000. DAV believes there is no tax liability, but as a procedural matter, paid the assessments plus interest and filed suit in the U.S. Court of Claims for recovery of amounts paid plus interest. Such amounts have been recorded in the unrestricted fund balance sheets as a claim for refund of taxes.

Although no assessments have been proposed by the Internal Revenue Service for the years 1974 through 1977, the estimated tax on similar components of income would aggregate approximately $1,209,000, plus interest, for those years.

The amount of refund, if any, that may ultimately result from the action in the U.S. Court of Claims or any additional payments that may be required for 1974 through 1977 are not presently determinable.

8. *General*

For comparative purposes, certain 1976 items have been reclassified to conform with 1977 classifications.

National Commander MEADOWS. I said earlier that I thought that our Division of Employment, our Department of Employment, our employment activity has been the most difficult area of our affairs this last year. The question of unemployment and the high rates of unemployment among veterans, particularly the younger veterans affected, the administration of various programs at the federal level has not been satisfactory.

But against that background of difficulty, we have had a splendid performance on the part of our staff in Washington, our employment staff in an unrelenting attack on the apathy that has plagued these programs, the lack of interest that has been shown in the Department of Labor by the administration of these programs.

It appeared at times that our efforts were futile, but as the year unfolded, we began to see results of these efforts, these efforts to research the problem, to shed light on the problem, to expose the facts as to what was going on and more particularly what was not going on, and we have ended the year with a substantial improvement in the employment picture for disabled veterans.

We have programs in which we cooperate with employers and others that share our interest in fair treatment of disabled, and I wish to introduce to you now our national director of employment, Ronald Drach, and we will proceed to recognize some of our friends who have given such splendid support to our efforts. Ronald. [Applause.]

Mr. RONALD W. DRACH. Thank you, Commander Meadows. National Commander Meadows, national officers, distinguished guests, delegates and friends: It is indeed my honor and privilege as your national director of employment to participate in recognizing those who in the performance of their daily professional duties enhance employment and job-training opportunities for disabled veterans, and to extend a well-deserved commendation and appreciation to those employers whose personnel policies and hiring practices have enabled scores of thousands of disabled veterans to realize gainful employment, thus becoming productive citizens in America's work force.

The recipient of the National Commander's Award for the Outstanding Local Veterans Employment Representative for 1978 is indeed deserving of his honors. This year's honoree is a member of the DAV Leon Von Schepper Chapter Number 9, in Terre Haute, Indiana, and it was his own chapter that submitted his name for consideration.

He served in World War II, Korea, and is also a Vietnam Era veteran. He assumed his current duties as a local VER on September 8, 1975. He was developed and implemented several innovative approaches in assisting disabled veterans to obtain employment and is constantly soliciting job openings for disabled veterans by directly contacting the local employers.

Of the more than 2,000 veterans coming to him for assistance in fiscal year 1977, he was able to place more than 36 percent of these individuals, and this accounted for more than half of the total placement in his entire office by the entire staff.

His record on placement of disabled veterans is even more impressive in that approximately 300 disabled veterans sought employment assistance from him, and he was able to place in permanent, full-time jobs approximately 75 percent of those disabled veterans. He is also very active in his DAV chapter and very effective in dealing with employers, unions, and government officials in soliciting support and job openings for disabled veterans.

It is indeed my pleasure to present to you today the Outstanding Local VER for 1978, Richard R. Snyder from Terre Haute, Indiana. [Applause.]

National Commander MEADOWS. Richard, it is with a great deal of pleasure that we make this presentation to you. We appreciate your personal efforts, and we appreciate your service; that is the service of your entire organization. We honor you along with the organization that has been so cooperative in helping us over the year. Thank you so much. [Applause.]

Mr. RICHARD R. SNYDER. I feel very honored that I was selected as the local veterans employment representative of the year. I will continue in the future to push on and try to get more disabled veterans employed in the coming year. Thank you. [Applause.]

Mr. **Drach**. The DAV recognizes that Mr. Snyder needs the total support of his local office manager if he is to indeed continue his commendable efforts on behalf of the nation's disabled veterans. This is true not only in Mr. Snyder's case, but all of the local VER's. Without the support of the local office managers, many local VER's are delegated other duties not related to veteran activities.

Realizing this, the DAV has decided to honor the office in which the local VER is employed, and it is with our sincere appreciation and thanks that we bestow this honor upon the Terre Haute, Indiana Local Job Service Office, and here to accept the award is Mr. Joe Petty, office manager. [Applause.]

National Commander **Meadows**. It is a great pleasure to make this presentation, and we appreciate very much the efforts that have been contributed on your part, Mr. Petty. And you deserve the thanks of this entire group of disabled veterans of this country for creating such a splendid example. [Applause.]

Mr. **Joe Petty**. It is a real honor for both of us to be here and particularly to me for the people that went that long extra mile to serve our country. You know, each of our state employment service offices all over the country have one man or woman who is a veteran whose full line of duty is to work toward finding additional jobs for the veteran.

I think that Dick is a good choice because he really lives and breathes veterans 24 hours a day. He is interested in the veteran and particularly the disabled veteran. You may know that the Wagner-Kaiser Act formed the state employment services back in the thirties, and from the beginning, it very definitely specified that in all of our activities we are to give preferential treatment to the veterans in trying to find jobs for them in all of our services.

And in our office and in all the rest of them, it is a team effort. You will find that not only the veterans but the nonveterans on the staff really have a sincere interest in giving that preferential service to the veteran, and it is because of that that I just thought I might mention to you, I think, a caution.

Some of you may have noticed that within the National Administration and within Congress there are some who would like to do away with the Wagner-Kaiser Act, and the basic reason seems to be because it specifies preference to veterans. Now we don't think it would be fair to eliminate this preference to veterans, and we hope that as the matter comes to a head, that you, along with our own offices, will be fighting for continuation of giving the preference that is definitely preserved for the veterans. Thank you. [Applause.]

Mr. **Drach**. We are also privileged to honor two outstanding, dedicated employers who have established enviable standards for hiring disabled veterans. The small employer for this year is engaged in the worldwide marketing of central cleaning systems. They employ only 52 individuals; however, 23 percent of them are veterans, and 50 percent of the veterans are disabled veterans. Seventeen percent of the total work force have handicapping conditions.

This employer, in addition to hiring disabled veterans, went out of his way to make reasonable accommodations so that individuals with various types of disabilities may be employed. They work very closely with the Oklahoma Employment Security Division and obviously look beyond the individual's disability to his ability.

We are happy to present this award to the Small Employer of the Year 1978 to Vacu-Maid, Incorporated, Ponca City, Oklahoma, and here to accept the award today is Mr. Melvin Liebeau, secretary-treasurer of Vacu-Maid. [Applause.]

National Commander **Meadows**. It certainly is a great honor to make this presentation to you and to your company, Vacu-Maid of Ponca City, Oklahoma. You know, if we could have just a little more of the splendid kind of effort that has been demonstrated here, Mr. Liebeau, with the attention paid by this corporation to employing disabled, we certainly would have no problems across the country.

I am very interested in hearing the comments as to the performance of these employees, because we have always told ourselves that disabled veterans make good employees, and I hope that is indicated by Vacu-Maid, and we are greatly impressed by your performance. [Applause.]

Mr. **Melvin Liebeau**. We are very pleased and honored to accept this award and feel that if every company our size would hire at least one, it would create thousands of jobs. Thank you very much. [Applause.]

Mr. **Drach**. Our last award is for the Large Employer of the Year. It is indeed a pleasure to be able to honor this year's recipient. As we all know, veterans preference is under attack by the current Administration. Many federal departments and agencies have in the past and continue to do everything possible to circumvent and violate veterans preference in federal employment.

This employer obviously adheres to the concept of veterans preference as 15 percent of all their employees are veterans. Thirty-one point eight percent are Vietnam era veterans, and 23.9 percent are disabled veterans. They actively cooperate with the Texas Employment Commission in serving disabled veterans and VA have an aggressive affirmative action program for the disabled veteran.

They also have a concern for hiring qualified handicapped individuals with a wide range of disabilities. We hope that their lead in this effort will encourage other federal agencies to follow in their footsteps.

It is indeed my pleasure to announce that the Veterans' Administration Regional Office, Waco, Texas, is the recipient of this year's Large Employer Award, and present to accept the award is Mr. Jack Coker, the regional office director. [Applause.]

National Commander **Meadows**. It is with a great deal of pleasure that we make this presentation, but there are two or three things I would like to have you know in addition to the wonderful performance here in hiring disabled veterans. There is another fact about this office that accompanies this award, and I am not sure that it has been a coincidence.

The Waco Regional Office has for the last five or six years been named year after year the most effective, efficient, the outstanding regional office in the United States in its activities. [Applause.] Now maybe there is no coincidence in the fact that there is also a high incidence of disabled employment in that office.

The other thing I would like to focus your thoughts on is this: You see here, Jack doesn't have any more hair than I do. [Laughter.]

Jack Coker probably comes as close to being representative of the kind of employee, the kind of official that we have always wanted in the Veterans' Administration as any man I know. He has worked for the Veterans' Administration all his life, which is nearly 40 years, I guess, Jack; a long time.

He started at the bottom, and he has ended up at the top. He has been through dozens of administrations, and he has made the kind of nonpolitical career official that is typical of the kind of people that make our Veterans' Administration program both in the regional office and in the hospitals a success.

I have known Jack a long time and was greatly pleased personally when I saw that he was to be here to accept this award as it relates to employment of the handicapped. But it gives me great pleasure to let you know that the accomplishments of that office under the leadership of Jack Coker, go even beyond this realm. Jack. [Applause.]

Mr. JACK COKER. Well, my heart is full of gratitude for those kind remarks by the national commander who has been a good friend to veterans and to the VA for a long, long time, and it has meant a great deal to me personally, because he goes to the well for the best you can get.

And I have gone to the well many times with Oliver Meadows, and he always has given me enlightened guidance, and I have been so pleased with the remarks here I heard this morning about what a great job he has done as national commander. There was no doubt in my mind that that would be the case.

But on behalf of the 550-some-odd employees at the Waco Regional Office, I accept this award because it has become a way of life with our employees to find people with ability and not necessarily disability. That is what is emphasized, that is what we do day to day, serving disabled veterans, including the betterment of disabled veterans themselves.

So I am very proud for our entire staff to accept this award from one of the finest organizations in the country, the Disabled American Veterans. Thank you very much. [Applause.]

National Commander MEADOWS. It certainly is a pleasure to proceed to this next portion of our activities this afternoon, and that is the presentation of membership awards. It must make our chairman, Ed Werner, feel good to come here with the kind of report that he comes with.

We have had a very good year in membership. And, as I said yesterday, I see no particular reason to feel that we have reached any summit or climax in membership operations. There are enough disabled veterans in this country to justify membership for many members, and it does appear that with the enthusiastic efforts of the organization and the enlightened leadership of individuals such as Ed Werner, that we can continue year after year the kind of progress that we have been making the last two or three years.

It is with a great deal of pleasure that I present to you for presentation of membership-awards, Ed Werner, chairman of the Interim Membership Committee. Ed. [Applause.]

Mr. EDWARD E. WERNER. Thank you very much, Mr. Commander. The first category is the department with the greatest percentage increase in life membership. This goes to the Department of Nevada. They had an increase of 815 to 988 for an increase of 21.23 percent. Will the representative from the Department of Nevada step forward to receive this award. [Applause.]

National Commander **Meadows**. Bob doesn't have a copyright or a patent on this formula. Perhaps you can pass among the group here and reveal your secret.

Member. I sure would like to say thank you, Mr. Meadows. All I can say is I have a great bunch working for me and they are the people that did it. Thank you again. [Applause.]

Mr. **Werner**. The next category goes to the department with the greatest numeric increase in life membership. This goes to the Department of Texas. They had an increase from 15,286 to 18,300 ,for an increase of 3,014. [Applause.]

National Commander **Meadows**. Let me say that I feel especially good about this award. I have listened to that propaganda and garbage that I have heard so long from the Departments of New York and Michigan [laughter], that it heartens me to have some tangible rebuttal. [Applause.]

Mr. **Ernest Brock**. Commander Meadows, he is such a beautiful man, I will tell you that. If it wasn't for Commander Meadows, our department I don't think would have accomplished this, and my preceding commander, A. A. Bud Hunter, had some good ideas, and our Executive Committee at that time had some good ideas, and this comes from our Texas Meadows men. [Applause.]

Mr. **Werner**. The next category is the chapter with the greatest percentage increase, and this goes to the Chapter Isabela 21, Puerto Rico. They had an increase from 22 to 117, for an increase of 431 percent. [Applause.]

National Commander **Meadows**. I just want the convention to know that not only are they great membership recruiters in Puerto Rico—I went there for their department convention—but I can assure you they are also great dancers and led by none other than Vince Aponte. He is great on the dance floor, and as you can see, they recruit well down there, too. [Applause.]

Mr. **Vince Aponte**. Thank you very much. In the name of Isabela Chapter 21, which is one of the chapters I formed, they also received a certificate for being the outstanding chapter who follows the rules and regulations of the department and the National, I am pleased, Oliver.

Don't say anything about the dancing, because I almost lost my compensation. [Laughter and applause.]

Mr. **Werner**. The next category goes to the chapter with the greatest numeric increase. This goes to Brooklyn 28, New York. Their increase was from 1,616 to 2,407, for an increase of 791. [Applause.]

National Commander **Meadows**. Do we have a representative to receive this award for the Brooklyn Chapter? I will have to consent, with this kind of performance, an increase of 791, that Cachianes and Randazzo are not altogether hot air. There is some performance here. [Laughter and applause.]

Mr. **Ed Galian**. Thank you very much. I am here in a representative capacity only. I happen to be a member of a Brooklyn Chapter 107 with nowhere the numerical status as this chapter, but I do know the chapter, and I do know that they deserve this award, because they do work all the time in behalf of this organization. Thank you. [Applause].

Mr. **Werner**. The next category is the percent of potential eligibles award, the largest percentage of eligibles: Division III, Department of Colorado, with a 37.64 percent, goes to Commander Rudolph Vargas. [Applause.]

National Commander **Meadows**. Rudy, I want to congratulate you, but on the other hand, I want to say to you that you probably mishandled this situation. You are on the top now, and if by some wild stretch of the imagination Hightower here on the right is elected national commander, you have got no place to go. You are at the top, and you have no place to go from there. [Laughter.] Thank you so much.

Member. Thank you, Commander Meadows. On behalf of Rudy Vargas, I would like to thank everyone. Thank you. [Applause.]

Mr. **Werner**. Division II, Department of Kentucky, with an increase of 42.18 percent, Commander John Sills.

National Commander **Meadows**. I am advised that John is in the hospital and that he is not able to accept this award, but we present it with a great deal of pride to you representing the department.

Mr. **Donald Herndon**. Thank you, Commander Meadows. I am Donald Herdon, and I am the new department commander of Kentucky, and on behalf of John Sills and all the members of the Department Kentucky and the NSO Regional Office staff, I thank you very much. [Applause.]

National Commander **Meadows**. I would like to announce that the Constitution and Bylaws Committee would like to meet at 2 p.m. today in the Yarboro Room on the Fourth Floor, and that is a few minutes from now. It is a very important meeting.

Mr. **Werner**. Division IV goes to the Department of Utah, with a percentage of 48.58 percent. It goes to Commander Arden Hoskins. [Applause.]

National Commander **Meadows**. The new department commander is accepting for Commander Arden Hoskins. It is a spectacular performance with 48.58 percent achievement, and we congratulate you for that kind of performance.

Member. On behalf of the Department of Utah and our Past Commander Arden Hoskins, I thank you all. [Applause.]

Mr. **Werner**. Division I, from the great State of Michigan, which had a percentage of 52.56 percent. It goes to Commander Harold L. Cobb. [Applause.]

National Commander **Meadows**. Commander, it is a great privilege to give you this award. From the figures I see here in this particular category, you are runner-up out of five divisions, coming in second, which is great; 52.56 percent, a great performance. [Applause.]

Member. Thank you, Commander Hightower. [Laughter.] I am happy to accept the award. [Laughter.] I want to apologize to Commander Meadows. We just promoted Commander Hightower a little premature. He attended Michigan so much that we know that this was coming. [Laughter.]

I am very happy to accept this award in behalf of the recruiting team from the State of Michigan. And although we do not tire of receiving this award year after year, to show that we are not selfish and that we wish to promote the national membership program, we were happy to share with them our department adjutant, Ed Werner, as National Membership chairman of last year, and I am sure that under his leadership we are happy to share with you that National will continue to advance in membership as the Department of Michigan has in the past. Thank you very much. [Applause.]

Mr. WERNER. Division V, North Dakota, with a percentage of 59.15 percent. The commander is Gordon LaMont.

National Commander MEADOWS. This gentlemen is receiving this award on behalf of Gordon LaMont; the leader of the entire group with 59.15 percent certainly is a marvelous show.

MEMBER. Thank you, Commander. On behalf of Gordon LaMont, who was unable to be here, who did all the work, and we are going to go on and hoping to break 60 percent next year, we thank you very much. [Applause.]

Mr. WERNER. The next category is the division awards, the largest percentage over quota. Division V is the Department of Delaware, less than 3,500 members, Commander George J. Fisher, with 22.87 percent over quota.

Mr. GEORGE J. FISHER. Commander Meadows, I want to thank you for this trophy. This is the second year that we have had the opportunity to win it, thanks to the wonderful national service officers and a lot of hard-working people in the little State of Delaware. Thank you. [Applause.]

Mr. WERNER. The next is Division IV, Department of South Carolina, with a 10.79 percent over quota, Commander Sidney L. Wise.

National Commander MEADOWS. Sid Wise is accepting this award. He is accepting for himself. He was department commander last year and reelected department commander this year. I had the pleasure of visiting South Carolina, and to use an old Southern expression, Sid is what we call in the South a live wire. Sid, I congratulate you. [Applause.]

Mr. SIDNEY L. WISE. Commander Meadows, I accept this on behalf of all of South Carolina who worked so hard for the DAV this year. Thank you very much. [Applause.]

Mr. WERNER. Next is Division III, Department of Oklahoma, with a 16.96 percent over quota.

National Commander MEADOWS. Robert Bales will accept this award for Commander Frank Deeds, Jr., and we certainly do congratulate this department for this great work.

Mr. ROBERT BALES. Thank you, Commander. This should go to all the people who worked for the department. [Applause.]

Mr. WERNER. Division II goes to the Department of North Carolina, with a 5.86 percent over quota.

MEMBER. Commander, it is indeed a pleasure for the great State of North Carolina to have you and your lovely wife Jane at our convention last month. I am accepting this award in behalf of Commander Wesley McKelvey, our immediate past commander, who is busy at the present time becoming a father-in-law, which will take place Friday of this week.

And so he is going to all the finance agencies and everything, trying to fork up enough money to afford this wedding. [Laughter.]

So again, I say that I welcome the opportunity to accept this award, and I feel like that I will be back up here next year in my capacity as the commander. Thank you very much. [Applause.]

Mr. WERNER. Division I goes to the Department of Texas, with an 8.33 percent over quota. [Applause.]

National Commander Meadows. Commander A. A. Hunter was department commander of Texas last year. He did a spectacular job, and I understand that it was not a wedding that kept him from attending the convention. He is there at home closing on a house sale.

Mr. Ernie Brock. Really, this was done by DAV'ers down at the chapter level. It was done also by the chapter service officers and our one department service officer and our NSO's, and with the great enthusiasm of our past commander, A. A. "Bud" Hunter. I want to thank you very much. [Applause.]

Mr. Werner. The next category is the Wainwright Award, the largest numeric increase in membership. It goes also to the Department of Texas with an increase of 2,930. [Applause.]

National Commander Meadows. I appreciate the effort.

Mr. Brock. Thank you again. This is really a pleasure. [Applause.]

Mr. Werner. The next category is the Marx Award for the largest percentage increase in membership. This goes to the Department of Delaware with an increase of 24.40 percent.

National Commander Meadows. We referred to it previously as a little department, but it is a lively department.

Mr. Fisher. Comrade Commander, I am not going to reiterate what I said before, but I had the honor and privilege of winning this for the second time, and it has been wonderful the last two years as the commander of the State of Delaware. Thank you very much. [Applause.]

Mr. Werner. The next category is the Over-Quota Bonus Awards, and this is what counts, when you put the money in your pocket. The first goes to the Department of California with a 2.80 percent over quota, for a total amount of $1,051.

National Commander Meadows. $1,051. [Applause.]

Fourth Junior Vice-Commander Roodzant. Commander, I would like to acknowledge the good work of our fine Commander Gordon Elliott and the previous department commanders and the troops in California. I wish I could share in their success. As you know, I have been away for a couple of years and maybe that is the reason they have had this great success. Thank you. [Applause.]

Mr. Werner. The next goes to the Department of Massachusetts with 3.96 percent over quota, for a total amount of $1,124. [Applause.]

National Commander Meadows. Certificates are wonderful, but money is better.

Mr. John Coyne. I would have to agree with you on that, Commander, and I know when you come to Boston next year, you are going to give me a much bigger check. [Applause.]

Mr. Werner. The next goes to the Department of Oklahoma, with a 16.95 percent over quota, for a total amount of $1,501. [Applause.]

National Commander Meadows. I am pleased to make this award of $1,501 to the Department of Oklahoma. I know you will put it to good use in fishing for more members.

Mr. Bales. Thank you, Commander. Yes, this will go back for our membership. Look out, Texas! [Laughter and applause.]

Mr. Werner. The next award goes to the Department of Pennsylvania, with a 7.1 percent over quota, for a total amount of $1,793. [Applause.]

National Commander MEADOWS. Congratulations on the sizable sum of $1793 in recognition, we hope tangible recognition of a great effort.

MEMBER. Thank you, Commander, on behalf of our department. Last year I was the Membership chairman as senior vice-commander. I want to thank the past commander, Mike Rose, out there for the free hand that he has given this committee and the rest of us; our department adjutant, Robert Hedstrom, for the work that he has done; and his staff to give us this award. We are only sorry that Texas beat us. [Applause.]

Mr. WERNER. The next award goes to the Department of Florida with a 6.40 percent over quota for a total amount of $1,965. [Applause.]

National Commander MEADOWS. We are accustomed to seeing Florida up here receiving these membership increase awards as we congratulate you for your continued efforts.

MEMBER. Thank you, Commander. On behalf of our department commander, Commander Yost, we in the Department of Florida thank you so much and God bless you. [Applause.]

Mr. WERNER. The last and the largest of them all goes to the Department of Texas with an 8.33 percent over quota for a total amount of $2,599.

Mr. BROCK. One thing that Commander meadows does not have to apologize for is that the State of Texas has given him support. Just before I left for our convention the other day, our senior vice-commander, our Membership chairman, Andy Wiley, called me and he said, "Ernie, I am over budget. What am I going to do? We have still got about ten months to go."

And I said, "Well, let's keep pushing for each members to get one more members and maybe we can get some funds." We will try to use it. Thank you very much. [Applause.]

Mr. WERNER. Commander Meadows, that completes our awards program.

National Commander MEADOWS. Let me again say that we appreciate the Department of Michigan loaning us their secret weapon, Edward Werner. He certainly has done a good job for the national organization as evidenced by our continued rise in membership.

The national adjutant the other day told me I could say with assurance that the 700,000 figure is within sight.

Now then, I will recognize Vincent Aponte, the immediate past department commander from Puerto Rico, to make a presentation. Vincent.

Mr. VINCENT APONTE. Thank you, Commander. National officers, delegates, I appreciate your giving me a couple of hours of your time. [Laughter.] In Puerto Rico we also recognize some people who have worked and dedicated their time to the Disabled American Veterans. So, I think that the national officers should also get a little souvenir from Puerto Rico, a little certificate. And, I would like to call all the officers up here.

I would like them to stand up and form a line like when you did make your sworn statement. Immediate—or immediate because right now we have you confused with Commander Hightower—but, Oliver Meadows, you got yours, so I am not going to call you so I might as well call Frank Randazzo, would you please stand up? [Applause.] Is he around? Come up here, please. We are going to make you a Puetro Rican citizen in a little while. [Laughter.]

Denvel D. Adams, national adjutant; Robert Whitmore, director of national membership and volunteer service. Is he coming around? I told him to stick around because I have some more membership cards that he will have to approve.

Norman Hartnett, the director of national service officers. Okay then, I might as well give these Puerto Rican members their citizenship. This is made in Spanish. I want them to practice. They may have to go down to Puerto Rico again. It says, "Disabled American Veterans"—you see, we are bilingual, so we have that in English. [Laughter.] [Speaking in Spanish.]

You know, we are in the Virgin Islands, and when they went down to Puerto Rico, they were surprised there were no virgins in those islands. [Laughter.] Signed, Previous Commander Vince Aponte and Adjutant Antonio Rojas. It is a real honor in the name of all the disabled veterans in Puerto Rico to give these certificates. [Applause.]

Past National Commander **Frank J. Randazzo**. Well, thank you very much, Vince, and thank the delegates from Puerto Rico. I just want to make one thing crystal clear, that I had nothing at all to do with the contract that was violated so far as the virgins were concerned in Puerto Rico. [Laughter.]

Secondly, I feel I have earned this certificate because when I was in Puerto Rico, Vince and Julio Monclova arranged to take me on a day of fishing. They promised me a yacht. When I got there, they claimed the yacht was broken down, and they put me on a 14-foot runabout. We were about three miles from shore, and the rudder went kaput, and we are going around in circles.

We had no life preservers, no radio. There wasn't a boat within sight, and I said, "Well, here's the end of the national commander of the DAV." [Laughter.] But Julio and another assistant, they finally got the rudder where they could handle it manually, and they got us to shore.

And then we went into a local pub while they were working on the boat, and Julio assured me that we are going to go out fishing that day. But, they never did get the boat fixed, but we did have a delightful day at the pub, and after the last several hours, I didn't care whether I fished or not anyway. [Laughter.]

So anyway, I did have a grand time in Puerto Rico. They are wonderful people, very hospitable, and I accept this certificate with a great deal of pride and pleasure. Thank you very much. [Applause.]

National Adjutant **Adams**. Vince, I want to thank you and all the members of the Department of Puerto Rico for this certificate of merit. I hope that when I come over to Puerto Rico that I bring this with me and that it will mean something. [Laughter.]

National Commander **Meadows**. If you get a chance to go to Puerto Rico, go. Those folks know how to have a good time down there, and they are wonderful folks.

We have a presentation to make here that gives me a great deal of personal satisfaction to have the opportunity to make it. I want to make a presentation to Dr. Lawrence V. Foye, Jr., who is presently the director of the Veterans' Administration Hospital here in San Francisco, but he has had many positions in the Veterans' Administration.

He goes a long way toward typifying the kind of career physician that has meant so much to us in the administration of the VA medical system. Dr. Foye served the Veterans' Administration as deputy chief medical director from 1947 to 1978, and he left at that time to become the director of the San Francisco VA Hospital.

He was resident physician at San Francisco from 1953 to 1957, and he was assistant chief of medical service at that hospital from 1958 through 1966. He attended the University of California at Berkeley under the GI Bill, where he got his AG degree, and he received his medical degree from the California Medical School.

He was chief of the Cancer Therapy Evaluation Branch of the National Cancer Institute in Bethesda, Maryland. He joined the VA as deputy to the assistant chief medical director for research and education in medicine in May, 1970, and he later became assistant chief medical director for academic affairs, and following that appointment, he became deputy chief medical director.

Now, it was in this position of deputy chief medical director that I got to know Dr. Foye very well. There is an unknown, virtually unknown story about the VA Medical Service that Dr. Foye knows a lot about. He and his boss, Dr. Butler, are two men that stood against the attempt back in those days to curtail the VA hospital system.

We managed to gain a copy of a plan that had been prepared by the Office of Budget and Management that laid out a plan, a five-year plan for reducing the VA, from that time about 90,000 beds to 65,000 beds. It was to be done each year in annual increments by lowering the budget of the VA medical system each year until the system had been cut back to 65,000 beds.

We had an unfriendly Administration at that time. We had an extremely difficult atmosphere in which to work, and Dr. Foye, and then the chief medical director, Dr. Butler, who is now deceased, had to make an extremely difficult decision. They had to make one of the most difficult decisions any of us could make, and that is would they call themselves loyal to the people that appointed them and use that as the rationalization for going along with dissolution of the program which they headed, or would they take the extremely risky and difficult position of bucking the Administration, the people for whom they worked, the White House, and OMB, and make the best effort possible to save the system.

Dr. Foye and Dr. Butler made that decision. They put in a terrible four years. Their lives were miserable. They were hounded from all sides, but nevertheless they stayed steadfast in what they were trying to do, and that is allow that those that were friends to the medical program, those in the Congress and those in the Veterans Administration that were determined not to see the demise of the VA medical system, and through a great deal of personal effort and subjected to a great deal of harassment, Dr. Foye and Dr. Butler stayed at the helm of the VA medical system and saw it through the storm.

It emerged on the other end with the help of our friends in Congress, the organizations, the veterans organizations, turning back that major threat, and for that I give Dr. Foye a great deal of credit, and it is for that reason that it gives me a great deal of pleasure to present this award to him today.

And the award says, "For outstanding and unselfish service." Certainly the word "unselfish" is appropriate here because those four years of difficult service, swimming upstream, bucking the Administration, would justify the word "unselfish" as anything possibly could.

Dr. Foye, would you join me here? [Standing ovation.] I would like Dr. Foye to do more than just say thank you. Dr. Foye, would you like to say a word?

Dr. **LAWRENCE** V. **FOYE**, Jr. Well, thank you, all of you and Oliver. The eight years that I spent in the VA Central Office were exciting and challenging and difficult and time-consuming, and I think threatened my marriage about every week as we struggled through those eight years.

One of the great rewards and one of the great opportunities of that type of an experience are the outstanding, dedicated people with whom you work in both the agency, the VA, on the Hill, in the veterans organizations, and it is a memory that I hold very dear. To name a few, I could name many, but to name a few in your office in Washington who were in constant working relationships, very cooperative ones, very helpful, were people like Gabby Hartnett, Stu Cody—I got to know Sherman Roodzant there, and one of my mentors, one of the people for whom I had immense respect, one of the people that I learned a lot from and hold very closely as a friend is, of course, your national commander, Oliver Meadows.

Your organization can be very proud, I think, of this leadership, and I think you can be very proud of the increasing impact you have on the course of veterans affairs in this country. It testifies to your concern, your devotion to the purpose and to your great leadership. Thank you all very much. I am very thankful for this award. [Applause.]

National Commander **MEADOWS**. Now I would like to recognize Jaime Piopongeo from chapter 7 of the Philippines for a presentation.

Mr. J. **PIOPONGEO**. I am going to make two presentations now. One is for our national commander. He has been giving out presentations, and I believe it is time now to receive one. So, on behalf of the membership of the newly organized Philippine Department, it is my honor and distinct pleasure to award to our national commander, Mr. Oliver Meadows, this plaque of appreciation. [Applause.]

National Commander **MEADOWS**. Thank you so much. I appreciate this plaque of appreciation. We have had a long and pleasant friendship with our friends in the Philippines in an endeavor to look after that rather large group of veterans that served both as members of the United States Armed Forces, members of the Commonwealth of the Philippine Forces, as members of the guerilla forces, all of which were joined together in those hectic days in the early part of World War II in the preservation of that nation.

I have had a long and pleasant friendship with our friends in the Philippines, and I appreciate this plaque. [Applause.]

Mr. **PIOPONGEO**. Another presentation that I am going to make is to Mr. John Heilman. It also gives me a great honor and pleasure in behalf of the Philippine Department to present this plaque of appreciation. [Applause.]

Mr. **JOHN HEILMAN**. I must say this was unexpected. It is quite an honor. And I must relate that the reason why these gentlemen from the Philippines singled me out is that I happened to be the DAV spokesman that day on the Hill before the Veterans Affairs Committee when those hearings were being conducted and consideration was being given to reducing the level of benefits to veterans in the Philippines.

Our organization spoke out strongly against that. As Oliver said, they served in our Armed Forces. They served in guerilla units, home scout units, and they didn't desert us in World War II when they could have. You know, we were there before World War II. We occupied that country. We ruled that country, and they could have chosen to welcome the Japanese Army as liberators.

The Philippine people didn't do that, and we certainly can't forget them today, and this is a very prized possession. Thank you very much. [Applause.]

National Commander MEADOWS. Now I will recognize Mr. Kordell for a presentation.

Mr. J. KORDELL. Commander Meadows, on behalf of Chapter 44 we would like to present our Disabled American Veterans Certificate of Honor: In the name and by the authority of the Disabled American Veterans, Frank C. Marpe Chapter 44, West Covina, California, this certificate of honor is awarded to Oliver E. Meadows, national commander, for distinguished service in behalf of disabled veterans. [Applause.]

This is something personal from me.

National Commander MEADOWS. For those that can't see, it is a commemorative edition of the inaugural addresses of six Presidents. [Applause.] Thank you so much, Mr. Kordell, and thank your chapter for the thoughtful act of making this award. Thank you very much. [Applause.]

National Adjutant ADAMS. Commander, I understand that there is a whole contingent of Philippine veterans here. Would you stand and be be recognized by the rest of our comrades. [Applause.]

[Miscellaneous announcements.]

National Adjutant ADAMS. I have just been advised that the Constitution and Bylaws Committee will be here in about ten minutes for the first reading. Now, you all know that the rules of the convention require that any Bylaw changes must be read to the convention 24 hours before they can be voted on, so I would ask that you bear with us so that we can hear that reading today and vote on them tomorrow.

Otherwise, we are going to get crowded up on Thursday morning. So, if you will just bear with us a few minutes, the Constitution and Bylaws Committee should be here for their first reading. Thank you.

National Commander MEADOWS. Would you give us your attention, please. We will now proceed with the first reading of the Bylaws amendments, and let me advise you at this time that this is merely a reading. It is not subject to debate or a motion at this time. This is merely the first reading of the Bylaw amendments.

Mr. CHARLES D. VINCENT, JR. Comrade Commander and delegates, the National Convention Committee on Constitution and Bylaws was called to order in its first business meeting on Monday, August the 14th 1978 by the Committee Adviser William G. Dwyer, past national commander.

The first order of business was the election of a convention committee chairman. Charles D. Vincent, Jr., District 12, was nominated and unanimously elected chairman.

The next order of business was the nomination and election of a secretary. Mary B. Howard, District 5, was nominated and unanimously elected as secretary of the committee.

The National Convention Committee on Constitution and Bylaws, consisting of the following, then proceeded in reviewing resolutions submitted: District Number 1, Frank B. Shumski; alternate, Thomas Daley. District 2, Bruce Pettijohn; alternate, Bernard Bonner. District 3, Metro Ostash; alternate, Dan Barry. District 4, Thomas A. Mizell; alternare, James W. Humphries.

District 5, Mary B. Howard; alternate, Kenneth R. Morris. District 6, Michael P. Fedorak; alternate, B. H. Whitten. District 7, Cecil W. Disney; alternate, William McGovern. District 8, Fred Bristol; no alternare. District 9, Wilbur L. Standley; alternate, Kenneth A. Grunewald.

District 10, Elwyn A. Rhodes; alternate, Peter DeGeus. District 11, George Carey; alternate, Julian Trujillo. District 12, Charles D. Vincent; alternate, Sylvester Hoffman. District 13, Howard Tolbert; alternate, Gayle Walker. District 14, Jack Feighner; alternate, P. D. Jackson. Blind Veterans, Roy L. Budd Smith; alternate, none.

We considered 19 resolutions and recommend approval of three. We recommended referral back to the National Interim Constitution and Bylaws Committee of one and recommended rejection of 15 resolutions. On recommendation of a committee member, the matter of the history of the DAV seal was referred to the National Interim Constitution and Bylaws Committee for research and updating the information for publication in the Ritual.

In accordance with the National Constitution and Bylaws, this is the first reading of the resolutions, and there is no discussion at this time. After the first reading, these resolutions recommended for approval will be printed and distributed at the next session of our convention. At that time discussion may be held prior to the vote of the body.

I will now read those resolutions which the committee recommends for approval and read only the resolved section.

Resolution No. 344

Resolved, That Article XI, Section 11.8, Paragraph 4(a) be deleted and that Paragraph 4(b) be renumbered Paragraph 4; and be it further

Resolved, That Article XI, Section 11.8, Paragraph 5(a) be amended by deleting the words "on July 1, 1974" on the last line of the paragraph.

Resolution No. 345

Resolved, That Article VII, Section 7.13 be amended to read as follows: "The national commander, within 60 days after his election, shall appoint an Interim Constitution and Bylaws Committee, a Membership and Volunteer Services Committee, a Legislation Commitee, and an Employment Committee. The members of such committees shall serve without compensation."

Resolution No. 346

Resolved, That Article III, Section 3.5 be amended to read as follows: "The registration fee at national conventions shall be $10 for each delegate, alternate, and visitor; and no person otherwise eligible shall be entitled to vote until he has registered and paid such fee."

Resolution Number 343, this resolution was recommended for referral back to the National Interim Constitution and Bylaws Committee for further study and report back to next year's convention.

Rejected resolutions were numbers 025, 032, 035, 068, 074, 121, 138, 145, 197, 148, 281, 283, 312, 313, and 320. The committee was recessed at 11 a.m. on August the 14th and reconvened at 2 p.m. this date to reconsider Resolution 343. Resolution 343, as changed, was unanimously approved by the committee.

Resolution 343, as changed, is as follows:

Article VII, section 7.2: Paragraph 1. The national commander, by and with the consent of the National Executive Committee, shall appoint a national adjutant and a national director of services.

Paragraph 2. The national commander shall appoint an officer of the day and a sergeant at arms who shall be chosen from the city in which the next national convention is to be held.

Paragraph 3. The national commander may appoint a national chief of staff, deputy chiefs of staff, and aides as he may deem appropriate and notify the respective departments of such appointments.

Article VII, section 7.4—Paragraph 1 would be the same. Paragraph 2 would be the same.

Paragraph 3. The national adjutant, by and with the consent of the national commander and the National Executive Committee, shall appoint an assistant national adjutant for charitable contributions, and such other assistant national adjutants as may be deemed necessary to conduct the affairs of his office. He shall determine the salary of such persons, by and with the consent of the National Finance Committee.

Article VII, section 7.7: Paragraph 1. The national director of services, by and with the consent of the national commander, shall appoint a national service director, a national legislative director, and a national epmloyment director and such other employees as may be deemed necessary to conduct the affairs of his office, and with the consent of the National Finance Committee, determine their salaries.

Paragraph 2. The national director of services, subject to the instructions of the national commander, the national adjutant, the National Executive Committee or the national convention, shall direct and supervise the following activities:

(a) He shall direct the national service officers, the national service officer trainees, any training program relating to national service officers and all other service activities of the national organization.

(b) He shall direct and supervise all federal legislative activities of this organization, and all legislative matters for the consideration of state and territorial legislatures. This includes those mandates contained in resolutions adopted by the national convention or by the National Executive Committee in the absence of national convention action:

(c) He shall be the manager of the Washington Office and shall be charged with the proper maintenance of the building.

(d) He shall prepare an annual budget covering all activities under his direction which shall be presented to the National Finance Committee for its consideration.

Article VII, section 7.8: Paragraph 1. The national commander shall delegate to the national director of services the authority to appoint such national service officers as are found necessary. Their salaries shall be set forth as an item of the budget.

Paragraph 2. The term of employment of a national service officer shall not commence until he is certified by the Veterans Administration and shall continue only so long as such certification is in effect.

Paragraph 3. No national service officer shall be removed, discharged, or transferred except for cause, after reasonable notice specifying the reasons therefor; provided, however, that, if applicable, the provisions of Article XII, or Article XVI shall govern.

Article VII, Sections 7.11, 7.12 and 7.13: Renumber to 7.9, 7.10, and 7.11, respectively.

Article XII, section 12.2: Paragraph 1. The national adjutant, an assistant national adjutant or the national director of services may suspend with pay any such employee (the "accused"), who is under his supervision, upon giving the accused a written notice of suspension, stating the grounds therefor. Unless, within 31 days thereafter, the accused gives written demand to the national adjutant for a hearing before a Trial Board, as herein provided, he may be discharged without further notice, which discharge shall be final for all purposes.

Article XII, section 12.5: Paragraph 1. The salary of the national adjutant and the national director of services shall be determined by the National Finance Committee with the approval of the National Executive Committee.

Article XIV, section 14.2: Paragraph 2. Subject to the approval of the National Executive Committee, the National Finance Committee may transfer and authorize expenditures from items within the approved budget for the purposes approved by said budget as the need may justify, provided that the budget for service and legislation shall not be reduced by any such transfer.

Article XIV, section 14.11: Paragraph 1. The national organization shall pay travel and per diem expenses to national officers whose duties require their attendance at official meetings of the organization or in the conduct of official business of the organization as may be authorized by the national commander or the national adjutant.

Paragraph 2. The national organization shall pay the actual expenses, limited to transportation, hotel rooms, meals and other essential items, to employees required to travel on official business for the organization upon prior approval of the national adjutant.

Resolved, That the provisions of any othersections of these Bylaws notwithstanding are hereby amended to conform to these modifications.

If the delegations wish to have rejected resolutions read at this time, they should so request. Comrade Commander, this completes the first reading of these resolutions which the committee recommends for approval.

National Commander Meadows. We thank the chairman for reading the first reading as required by the convention rules of the proposed Bylaw amendments.

National Adjutant Adams. I would like to announce that during tomorrow's session, we are scheduled to hear from the chairman of the DAV Service Foundation as well as the beginning of the reports from the convention committees. It will be very important that you be in attendance.

We will also vote on those Constitution and Bylaw changes tomorrow.

National Commander Meadows. Ladies and gentlemen, please rise and I will ask the chaplain to lead us in prayer.

National Chaplain Bergstrom. Let us pray. Heavenly Father, let those things which we have done at this time inspire us to go forth as Your servants and as servants of our fellowman this day and the days to come. Amen.

National Commander Meadows. This convention is recessed until 9 o'clock tomorrow morning.

[Whereupon, the meeting recessed at 2:50 p.m., August 14, 1978.]

THIRD BUSINESS SESSION

August 15, 1978

The third business session of the 57th National Convention of the Disabled American Veterans convened in the Continental Ballroom of the San Francisco Hilton Hotel, San Francisco, Calif., Tuesday August 15, 1978, and was called to order at 9 a.m. by National Commander Oliver E. Meadows.

National Commander **OLIVER E. MEADOWS**. Will the convention come to order, please. Officer of the day, post the colors.

[Posting of colors.]

National Commander **MEADOWS**. Join me in the Pledge of Allegiance.

[Pledge of Allegiance, led by National Commander Meadows.]

National Commander **MEADOWS**. I will ask our chaplain, Reverend Carl Bergstrom, to lead us in prayer.

National Chaplain **BERGSTROM**. Let us pray. Almighty and Eternal God, we ask that Thou would look with favor upon those of us gathered for this day. Guide our hearts, guide our minds, guide our deliberations. May we serve Thee and this place for the benefit of our brothers and sisters, the disabled of our land.

May the gift that they have given serve future generations in regard to what we have, the gift of freedom and its true value. This we ask in Thy Holy Name. Amen.

National Commander **MEADOWS**. Please be seated. In order for a delegate to be heard at this convention, he must be recognized by the Chair. Only those delegates at a microphone will be recognized. Upon being so recognized, the delegate must state his name, chapter number and the state he represents.

The order of business this morning calls for consideration of the reports of the various committees, the various convention committees, and we will begin by recognizing Chairman Benny Daniels of the National Security Committee. Chairman Daniels.

NEC Ninth District **BENNY DANIELS**. Comrade Commander and delegates, the National Convention Committee on National Security met on August 14, 1978 and was called to order for its first business session by the committee advisor, Marion Shoemake.

The first order of business was the election of a convention committee chairman. Benny Daniels was nominated for chairman. There being no further nominations, nominations were closed, and Benny Daniels, District 9, was elected chairman.

The next order of business was the nomination and election of a secretary. Anna Mae Berg, District 4, was nominated and elected secretary of the committee.

We then read the Statement of Policy of the Disabled American Veterans. We had a delegate or an alternate, and some districts both from all the districts except 5. These are the delegates or alternates on National Security: Frederk J. Ingerson; Lew Davis; Michael Grove; Anna Mae Berg from 4; Frances W. Cunningham from 6; William F. Whetsel from 7; from Number 8, Norman Leibham; from 9, Benny Daniels; from 10, Warren R. Johnson; from 11, George E. Coleman; from 12, Dara M. Greenleaf; from 13, Betrice Horn; and 14, Charles Altman.

At this time I would like to personally thank each one of them for all their help. I would also like to thank our adviser, Marion Shoemake. We also had Steve Edmiston from Legislative Headquarters. And we all want to thank Major Toni Caggiano, who was our military adviser.

The committee then proceeded to review the resolutions. We had 12 resolutions. We rejected eight of these because some were similar to others or they had already been taken care of by law. We then wrote two committee resolutions.

I will now report to you on the resolutions recommended for adoption by the national convention. For the purpose of saving time. I will only read the resolved portion of these resolutions: No. 021.

Therefore, be it *Resolved*, That the Disabled American Veterans, in national convention, San Francisco, California, August the 14th, 1978, go on record as urging the following:

That the President and the Congress of the United States enlist the Government of Vietnam in a very humanitarian cause to release or give an accounting for the approximately 1,300 missing American civilians, newsmen, and U.S. military personnel, and

That the President and Congress of the United States actively pursue this effort until all Americans in Southeast Asia have been released or accounted for, and

That the same enthusiasm expressed on behalf of amnesty for draft dodgers and deserters be expressed on behalf of those families of the Americans still missing in Southeast Asia, and

That the Disabled American Veterans opposes any legislation or Executive Order that presumes the death of those missing in action until the United States has received an accounting for these Americans.

Number 033:

Be it hereby *Resolved*, That the Disabled American Veterans strongly recommends that the United States of America reinstitute an equitable form of compulsory military service to insure sufficient strength of our Armed Forces, including the National Guard and Reserves, to surmount any threat to the security or best interests of our country and preserve the legacy for which our forefathers fought so valiantly.

Resolution 303:

Be it *Resolved by the Disabled American Veterans*, That as the core of our national security program, the DAV reasserts and reconfirms its long-standing position for freedom, and against Communism, and presses home this informed and deeply moral view to the President and to the United States congress.

On Cuba 304:

Be it *Resolved by the Disabled American Veterans*, That we call upon the President and the Congress to continue the present policy of no trade with Communist Cuba and the policy of no diplomatic recognition of the Communist state for as long as it remains the policy of the Cuban Communist regime to retain the many harsh injustices now extant in that unfortunate land and have their armed forces serve under the strategic direction of the Soviet Union: and be it further.

Resolved, That the United States Government, under no circumstances, grant concessions affecting complete and undiluted U.S. sovereignty, control and use of Guantanamo Bay as a U.S. Naval Base of supreme strategic, as well as political, importance.

I now have two committee resolutions that we wrote that I will read in their entirety. Number 354:

Whereas, criminal charges have been brought against members and former members of the FBI; and

Whereas, these members of the FBI were performing their duty of gathering evidence concerning subjects, individuals, and organizations for the purpose of safeguarding our nation; and

Whereas, these members of the FBI were under orders to perform such duties; Now, therefore, be it

Resolved, That the Disabled American Veterans assembled in national convention in the City of San Francisco, California, August the 12th to the 18th, 1978, urge that these charges be dropped on those men who were carrying out orders from their superiors; and

Furthermore, should these men be held liable for carrying out these orders of their superiors, it would set precedence so that members of the Armed Services could refuse to carry out orders of their superiors, and this would make discipline impossible.

Committee resolution 355:

Whereas, there are 909 American veterans buried in the National Cemetery in Panama; and

Whereas, the U.S. Senate has affirmed the present Administration's treaty negotiations with the Government of Panama; Now, therefore, be it

Resolved, That the Disabled American Veterans, assembled in San Francisco, California, at its annual national convention, August 13th to 18th, 1978, go on record opposing the action of the President and the U.S. Senate in affirming the transfer of the Panama Canal to the Government of Panama.

Comrade Commander, this completes the report of the National Security Committee, the National Convention Committee, and I move for the adoption of these resolutions and that the committee be discharged with the thanks of the national convention.

Mr. CUNNINGHAM. Commander Cunningham, Chapter 36, Department of Louisiana, 6th District, seconds that motion that they accept this with the gift of thanks and a beautiful report.

National Commander MEADOWS. The motion has been made and seconded that we accept the report of the National Security Committee and discharge the committee with a vote of thanks. All those in favor, signify by voting Aye; those opposed, No. The Ayes have it.

Chairman Daniels, we appreciate the efforts of your committee and thank you for a fine report. [Applause.]

I will now recognize Chairman Shea of the Credentials Committee to render a second partial report.

Mr. JOHN J. SHEA. The Convention Committee on Credentials was called to order at 8 o'clock this morning, August 15, 1978 at the Hilton Hotel. This is a partial report for information purposes only. It reflects the registration at the close of registration at 4 p.m. on August 14, 1978.

At the present time we have 546 chapters registered, 44 departments, 20 national officers, 12 past national commanders, for a total of 1360 delegates. There are 73 alternates present, and a total vote at this count of 6,536.

This completes the partial report of the Credentials Committee. Commander Meadows.

National Commander MEADOWS. Thank you very much for the partial report, Chairman Shea. I will now recognize Chairman James Freisema to present the report of the Membership and Volunteer Services Committee.

Mr. JAMES FREISEMA. Comrade Commander and delegates, the National Convention Committee on Membership and Volunteer Services was called to order for its first business session on Monday, August 14, 1978 at 8 a.m. by Committee Adviser Edward Werner, National Membership chairman, along with Adviser Robert Whitmore, director of membership.

Roll call, Districts 1 through 14, all present. The first order of business was the election of a convention committee chairman. A motion was made by John Palmiter, District 13, supported by Lester Pittman, District 5, to nominate James R. Freisema, District 8, as chairman. There were no further nominations. Nominations were closed, and and James R. Freisema was elected as chairman.

The next order of business was the nomination and election of a secretary. A motion was made by Robert Redingtion, District Number 3, supported by Norman Wenskay, from District 14, to nominate Harry Baumgartner from District 8 for secretary. There were no further nominations. Nominations were closed and Harry Baumgartner from District 8 was elected as secretary.

Chairman James Freisema, District 8, requested the secretary, Harry Baumgartner from District 8, to read the resolutions submitted. The committee then reviewed all resolutions submitted: Numbers 034, 139, 149, 184, and 192. There were five resolutions submitted to consider. They numbered 34, 139, 149, 184, and 192, all of which were rejected as not being in the best interest of the Disabled American Veterans.

There was a motion by Domenico Zannini, District Number 1, supported by Robert Redington, District Number 3, that the Membership and Volunteer Services Committee be adjourned, and Chairman James R. Freisema, District 8, be authorized to submit the report of the committee to the convention.

Comrade Commander, this completes the report of the Membership and Volunteer Services National Convention Committee, and I move that the committee be discharged with the thanks of the national convention.

National Commander MEADOWS. We have a motion to discharge the committee. Do I hear a second? Mike 1.

Mr. JAMES E. TILLMAN, JR. Tillman of the Blind Chapter and Florida seconds the motion.

National Commander MEADOWS. We have a motion and a second for the acceptance of the report of the Membership and Volunteer Services Committee. Those in favor, signify by saying Aye; those opposed, No. The Ayes have it. The motion is carried, and we do thank you, Chairman Freisema, for your efforts and the efforts of your committee. [Applause.]

I will now recognize Bill Wiggins, chairman of the Finance and Dues Committee, for a report of that committee.

Mr. WILLIAM D. WIGGINS, Jr. Thank you, Comrade Commander. Distinguished guests, national officers, fellow delegates to this great convention in San Francisco: The National Convention Committee on Finance and Dues was called to order for its first business session on Monday, August 14, 1978, by Committee Adviser Charles Cryder.

This being a short report, I would feel remiss if I did not read the names of the distinguished delegates that served with me on this committee to make my job a much easier one: From District 1, Arthur Cushing; alternate, James G. Murphy. District 2, Roy Aloisio; alternate, Steven Stupak. District 3, Oscar M. Richards; alternate, Sal Janotti. District 4, William D. Wiggins; alternate, Werren B. Lone.

District 5, Filmore M. Thomas; alternate, Andrew Marshall. District 6, Hollis Bridges; alternate, Roy Mitchell. District 7, Mike Page; alternate, Marlyn Wagner. District 8, Alfred W. Grajek; no alternate. District 9, Henry W. Prokop; alternate, Robert J. Meints.

District 10, Edwin C. Larson; alternate, Harry Vande More. District 11, Percy Newell; alternate, Karl Fischer. District 12, Nash Ramirez; alternate, Craig Crossley. District 13, Chuck Johnston; alternate, Myron Cunningham. District 14, Yael Freelander; alternate, Alvin Holdcraft. And our Blind Veterans, James Finn.

The first order of business was the election of a convention committee chairman. William D. Wiggins was nominated for chairman. There being no further nominations, the nominations were closed, and William D. Wiggins was elected chairman.

The next order of business was the nomination and election of a secretary. Arthur S. Cushing of Massachusetts was nominated and elected secretary of the committee.

Resolutions were considered by the committee, and the following actions were taken. Resolutions Numbers 24, 30, 67, 109, 122, 251, 276, 278, 280, and 314 were rejected with no further consideration by the committee. Resolution Number 66 was referred to the national service director for further study and/or action by him and the National Finance Committee.

Resolutions Numbers 277 and 331 were referred to the National Legislative Headquarters staff at Washington, D.C. for further study and/or action. Resolution Number 123 from the State of Arizona was adopted. This resolution—and I will read the resolved part of it only:

> Be it *resolved*, That a complimentary copy of each issue of the official Disabled American Veterans Magazine be mailed to the office of the governor of each of the 50 States.

This particular resolution was adopted by the committee.

Resolution No. 123

Whereas the Disabled American Veterans is an organization of which general knowledge is lacking in many State Offices; and

Whereas this lack of information is detrimental in considerable cases of interest to the DAV at Satte Legislative Offices; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That a complimentary copy of each issue of DAV Magazine be forwarded to the Office of the Governor of each of the 50 states.

The committee reviewed the 1977 financial report with Comptroller Charles Cryder. The comptroller also reviewed the 1979 proposed budget, which was referred to the Convention Finance and Dues Committee by the National Finance Committee with their recommendation for adoption.

The 1979 proposed budget was approved by unanimous vote of the committee and adopted.

The committee expressed thanks to Charles Cryder; to National Finance Committee Chairman Paul G. Freeman, for their assistance in performing the work of this important committee. Having no further business, the meeting was adjourned.

Comrade Commander, at this time this completes the report of the Convention Committee on Finance and Dues, and I hereby move for the adoption of this report and that the committee be discharged with the thanks of the national convention.

Mr. P. D. JACKSON. Comrade Commander, mike 3.

National Commander MEADOWS. Mike 3.

Mr. JACKSON. P. D. Jackson, Buddy's Chapter Number 11, Dallas, Texas. I take great pleasure in seconding the motion as long as the Convention Finance and Dues Committee can keep us in the black. Thank you.

National Commander MEADOWS. We have a motion and a second that the report of the Finance and Dues Committee be accepted. Those in favor of the motion, signify by saying Aye; those opposed. The motion carried, and we thank you, Chairman Wiggins, for your efforts as chairman of this committee, and we thank your state for some of the special efforts that you have rendered in our activities there in Washington. [Applause.]

Mr. WIGGINS. Thank you, Commander.

EXHIBIT B

DISABLED AMERICAN VETERANS NATIONAL HEADQUARTERS, 1979 BUDGET

SUMMARY OF ANTICIPATED SUPPORT, REVENUE AND EXPENSE

Support and revenue:	
Support:	
Contributions and revenue from direct mail solicitations	$20, 500, 000
List rental	1, 000, 000
Donations and bequests	50, 000
Total support	21, 550, 000
Revenue:	
Membership dues and fees	2, 300, 000
Income from investments	1, 200, 000
Net income from leasing Ridge properties (schedule 1)	175, 000
Sale of emblems, etc., less applicable direct costs	175, 000
Magazine subscriptions	18, 000
Other income—net	80, 000
Total revenue	3, 948, 000
Total support and revenue	25, 498, 000
Expenses:	
Program services:	
Services to veterans and dependents (schedule 2)	11, 074, 000
Disbursements for scholarship, disaster and emergency relief purposes (schedule 3)	600, 000
Publication of DAV monthly magazine (schedule 4)	910, 000
Total program services	12, 584, 000
Supporting services:	
Fund raising costs (schedule 5)	7, 554, 450
Administrative and general expenses (schedule 6)	1, 497, 700
Membership department (schedule 7)	951, 600
Total supporting services	9, 993, 750
Total expenses	2, 577, 750
Excess of public support and revenue over expenses	2, 920, 250

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SCHEDULE 1

REVENUE FROM LEASING RIDGE PROPERTIES

Gross revenue	$351, 600
Expenses:	
Depreciation and amortization	110, 000
Insurance	20, 000
Heat, light, and power	500
Real estate taxes	40, 000
Maintenance—building and grounds	6, 000
Miscellaneous	100
Total expenses	176, 000
Net income	175, 000

SCHEDULE 2

PROGRAM SERVICES—SERVICES TO VETERANS AND DEPENDENTS

Field service	$10, 413, 500
Legislative service	242, 500
VAVS	31, 500
National commander and committees	186, 500
National Convention	200, 000
Total services to veterans and dependents	11, 074, 000
Field service:	
Salaries (417)	6, 600, 000
Employee benefits	1, 650, 000
Social security taxes	400, 000
Plant labor	60, 000
Printing, stationery, and supplies	150, 000
Janitorial supplies	5, 000
FSU equipment operation	50, 000
Heat, light, and power	50, 000
Express and hauling	2, 500
Outside services	5, 000
Maintenance—building and grounds	20, 000
Maintenance—office equipment	5, 000
Maintenance—FSU's	40, 000
Project costs—FSU's	75, 000
Relocation of personnel	75, 000
Postage	175, 000
Telephone and telegraph	50, 000
Travel—FSU's and other	600, 000
Subscriptions	2, 000
Security service	50, 000
Insurance	50, 000
Rental of equipment	15, 000
Depreciation	200, 000
Miscellaneous	7, 500
Data processing (schedule 8)	76, 500
Total expenses	10, 413, 500
Legislative service:	
Salaries (5)	144, 450
Employee benefits	48, 150
Social security taxes	8, 050

DISABLED AMERICAN VETERANS NATIONAL HEADQUARTERS, 1979 BUDGET—Con.

SCHEDULE 2—Continued

PROGRAM SERVICES—SERVICES TO VETERANS AND DEPENDENTS—continued

Legislative service—Continued	
Printing, stationery, and supplies	$5, 000
Postage	5, 000
Insurance	600
Travel	25, 000
Subscriptions	1, 500
Outside services	250
Plant labor	2, 000
Miscellaneous	2, 500
Total expenses	242, 500
VAVS:	
Salaries (1)	12, 000
Employee benefits	3, 500
Social security taxes	1, 000
Travel	10, 000
Miscellaneous	5, 000
Total expenses	31, 500
National commander and committees:	
Expense allowance	63, 000
Transportation	50, 000
Insurance	4, 000
National judge advocate	18, 000
National executive committee	20, 000
National finance committee	5, 000
Interim committees	25, 000
Miscellaneous	1, 500
Total expenses	186, 500

SCHEDULE 3

PROGRAM SERVICES—OTHER

Disbursements for:	
Scholarships	$250, 000
Disaster relief	100, 000
Emergency relief	250, 000
Total expenses	600, 000

SCHEDULE 4

PUBLICATION OF DAV MONTHLY MAGAZINE

Salaries (1)	$25, 000
Employee benefits	8, 000
Social security taxes	1, 500
Printing	750, 000
Postage	120, 000
Operating supplies	1, 000
Editorials	500
Miscellaneous	4, 000
Total expenses	910, 000

DISABLED AMERICAN VETERANS NATIONAL HEADQUARTERS, 1979 BUDGET—Con.

SCHEDULE 5

SUPPORTING SERVICES—FUND RAISING COSTS

Direct costs	$5, 615, 900
Plant overhead expenses	1, 162, 000
Cash receiving expenses	451, 300
List rental expenses	315, 250
Total fund raising costs	7, 544, 450

Direct costs:	
Material	2, 700, 000
Direct labor	620, 000
Indirect labor	530, 000
Employee benefits	300, 000
Social security taxes	98, 000
Depreciation	35, 000
Postage	630, 000
Postage due	200, 000
Equipment maintenance and repairs	20, 000
Telephone and telegraph	2, 000
Operating supplies	22, 000
Express and hauling	8, 000
Rental of equipment	9, 000
Miscellaneous	3, 000
Data processing (schedule 8)	438, 900
Total expenses	5, 615, 900

Plant overhead:	
Salaries (43)	570, 000
Employee benefits	155, 000
Social security taxes	40, 000
Depreciation	70, 000
Insurance	12, 000
Heat, light, and power	130, 000
Telephone and telegraph	1, 000
Express and hauling	35, 000
Transportation equipment	10, 000
Supplies	14, 000
Laundry	10, 000
Security service	45, 000
Maintenance—building and grounds	40, 000
Maintenance—machinery and equipment	5, 000
Janitor supplies	10, 000
Research and development	5, 000
Miscellaneous	10, 000
Total expenses	1, 162, 000

Cash receiving:	
Salaries (28)	275, 000
Employee benefits	75, 000
Social security taxes	27, 000
Depreciation	8, 000
Security service	42, 000
Equipment maintenance and repairs	4, 500
Telephone and telegraph	300
Express and hauling	5, 500
Insurance	4, 000
Miscellaneous	10, 000
Total expenses	451, 300

SCHEDULE 5—Continued

SUPPORTING SERVICES—FUND RAISING COSTS—continued

List rental:	
Commissions	$200, 000
Data processing (schedule 8)	115, 250
Total expenses	315, 250

SCHEDULE 6

SUPPORTING SERVICES—ADMINISTRATIVE AND GENERAL EXPENSES

General administration	$870, 500
Public relations	140, 000
Purchasing	98, 000
Accounting	261, 400
Print shop	6, 200
Personnel department	106, 000
Cafeteria	15, 600
Total administrative and general expenses	1, 497, 700

General administrative:	
Salaries (13)	335, 000
Employee benefits	95, 000
Social security taxes	15, 000
Postage	55, 000
Insurance and bonding	40, 000
Equipment maintenance and repairs	4, 500
Travel	60, 000
Telephone and telegraph	35, 000
Dues and subscriptions	20, 000
Legal and professional fees	100, 000
Supplies	26, 000
Depreciation	35, 000
Rental of equipment	12, 000
Miscellaneous	38, 000
Total expenses	870, 500

Public relations:	
Salaries (2)	27, 000
Employee benefits	8, 000
Social security taxes	1, 800
Travel and entertainment	2, 000
Awards	100
Cuts, mats and photos	2, 400
Telephone and telegraph	1, 200
Dues and subscriptions	1, 000
Plant labor	500
Supplies	5, 000
Project costs	85, 000
Miscellaneous	6, 000
Total expenses	140, 000

Purchasing:	
Salaries (5)	62, 000
Employee benefits	15, 000
Social security taxes	4, 500
Depreciation	500
Postage	6, 000
Telephone and telegraph	1, 000

DISABLED AMERICAN VETERANS NATIONAL HEADQUARTERS, 1979 BUDGET—Con.

SCHEDULE 6—Continued

SUPPORTING SERVICES—ADMINISTRATION AND GENERAL EXPENSES—continued

Purchasing—Continued	$6, 000
Supplies	3, 000
Miscellaneous	
	98, 000
Total expenses	
Accounting:	100, 000
Salaries (7)	29, 000
Employee benefits	6, 600
Social security taxes	3, 200
Depreciation	250
Postage	1, 600
Equipment maintenance and repairs	500
Telephone and telegraph	2, 000
Supplies	3, 000
Insurance	115, 250
Data processing (schedule 8)	
	261, 400
Total expenses	
Print shop:	30, 000
Salaries (2)	7, 000
Employee benefits	3, 000
Social security taxes	6, 500
Depreciation	3, 000
Equipment maintenance and repairs	6, 000
Supplies	200
Telephone and telegraph	500
Cuts, mats, and photos	(50, 000)
Transfers to inventory	
	6, 200
Total expenses	
Personnel department:	74, 800
Salaries (5)	22, 500
Employee benefits	4, 700
Social security taxes	400
Postage	1, 100
Telephone and telegraph	500
Depreciation	1, 000
Supplies	1, 000
Miscellaneous	
	106, 000
Total expenses	
Cafeteria:	100
Telephone and telegraph	3, 000
Depreciation—machinery and equipment	12, 000
Subsidy	500
Miscellaneous	
	15, 600
Total expenses	

SCHEDULE 7

SUPPORTING SERVICES—MEMBERSHIP

Salaries (22)	$275, 000
Plant labor	20, 000
Employee benefits	75, 000
Social security taxes	20, 000
Postage	125, 000
Telephone and telegraph	2, 000
Express and hauling	2, 000
Supplies	170, 000
Awards	75, 000
Depreciation	5, 500
Travel	3, 000
Miscellaneous	3, 000
Data processing (schedule 8)	176, 100
Total expenses	951, 600

SCHEDULE 8

SUPPORTING SERVICES—DATA PROCESSING

Salaries (47)	$450, 000
Employee benefits	125, 000
Social security taxes	35, 000
Telephone and telegraph	2, 000
Rental of equipment	110, 000
Supplies	65, 000
Express and hauling	9, 000
Travel	500
Depreciation	75, 000
Equipment maintenance and repairs	45, 000
Miscellaneous	5, 500
Total expenses	922, 000
Allocated to:	
Field service (schedule 2)	76, 500
Fund raising (schedule 5, 1 of 2)	438, 900
List rental (schedule 5, 2 of 2)	115, 250
Accounting (schedule 6, 2 of 3)	115, 250
Membership (schedule 7)	176, 100
Total allocated	922, 000

National Commander MEADOWS. I will recognize Sam Mullin, chairman of the General Resolutions Committee, for the presentation of the report of that committee.

Mr. SAMUEL B. MULLIN. Good morning, Commander. Comrade Commander and delegates, the National Convention Committee on General Resolutions was called to order for its first business session on Monday, August (4th, 1978 by Committee Adviser Arthur H. Wilson.

The first order of business was the election of a convention committee chairman. Samuel B. Mullin was nominated for chairman. There being no further nominations, nominations were closed, and Samuel B. Mullin was elected the chairman.

The next order of business was the nomination and election of a secretary. Delbert B. Nelson was nominated and elected secretary of the committee.

Fourteen resolutions were submitted to the committee. Six of those, after debate, were rejected and one was referred and seven passed. The committee then proceeded in reviewing the resolutions submitted and recessed and reconvened at 8:30 this morning to finalize this report.

I will now report to you on the resolutions recommended for adoption by this national convention, and for the purpose of saving time, I will only read the resolved portions of these resolutions.

Resolution 075

Resolved, That the Disabled American Veterans, in convention assembled in the City of San Francisco, August 13th through 18th, 1978, that the departments and National shall continue the award program designed to give recognition to severely disabled veterans who have overcome their disabilities and that this program shall be conducted along the proposed outlines submitted by the national convention.

Resolution 128

Resolved, That the national organization of the Disabled American Veterans, in convention assembled at San Francisco, California, from August 13 through 18, 1978, continue their all-out effort toward the establishment of a National Patriotism Week during the third week of February annually.

Resolution 176

Resolved, That the Disabled American Veterans go on record opposing all activities of the American Nazi Party.

Resolution 207

Resolved, That the national organization go on record urging the United States Congress, the state and local governments to declare May 30th the official date for Memorial Day.

Resolution 252

Resolved, That the national organization go on record as proposing a national holiday to be National Flag Day and celebrated on June 14th in dedication of our flag.

Resolution 253

Resolved, That the Disabled American Veterans, in national convention assembled in San Francisco, California, August 13th through 18th, 1978, go on record supporting the establishment of a national holiday to be named Pearl Harbor Day to be celebrated on December 7th each year in memory of our deceased who are still embalmed in the disaster that befell them in one of their greatest conflicts in history.

Resolutions 356, 353, and 364 were resolutions by the committee. I am going to read them in their entirety.

Resolution 352

Whereas Disabled American Veterans National Commander Oliver E. Meadows is the nation's foremost expert in the field of veterans affairs; and

Whereas this vast knowledge of veterans legislation and programs was of tremendous value to the DAV during the year in which several important veterans benefits programs came under intensive political attack; and

Whereas Commander Meadows demonstrated the courage needed to stand against the political parties opposing the curtailment of veterans preference in federal employment, cutbacks in the VA budget, and amnesty for those whose military service was less than honorable; and

Whereas Commander Meadows' deep understanding of the American political system was in great part responsible for the DAV's success in these and other critical legislative battles; and

Whereas Commander Meadows was willing to forego the full comforts of retirement in order to provide the DAV with leadership of the highest caliber during the year in which veterans programs faced the harshest adversity; and

Whereas the value of the above-mentioned services to America's disabled veterans, their dependents, and survivors is beyond calculation; Now, therefore, be it

Resolved, That the Disabled American Veterans, assembled here in San Francisco, California, August 13 through 17 in national convention, do hereby express our appreciation to National Commander Oliver E. Meadows in sincere gratitude for his total commitment, diligence, assistance, and service to America's two and a half million wartime service-connected disabled veterans and their families; and be it further

Resolved, That this gratitude be extended to Commander Meadows' staff and officers for their help in carrying out the DAV programs of benefit to all disabled veterans.

And that is Resolution 352, Commander. [Applause.]

RESOLUTION 353

Whereas the success for the 57th DAV Convention, convened in San Francisco, California, August 13th through 17th, 1978, depends on the total cooperation and unselfish devotion of the state, county, and local officials; and

Whereas the success of this national convention is also attributed to the department and local chapters and units of the DAV and the DAVA, particularly to Convention Chairman Raymond P. Neal; and

Whereas we wish to commend all the news media for their encouragement and assistance at all of our convention activities; Now, therefore, be it

Resolved, That the Disabled American Veterans, assembled here in San Francisco, California, August 13th through 17th, 1978, expresses its sincere appreciation to all groups and all agencies whose dedication to our principles makes our convention a successful one; and be it further

Resolved, That we wish to extend to the citizens of San Francisco, California our deepest gratitude for their personal interest in our great organization; and be it further

Resolved, That we wish to extend our appreciation to all of the distinguished guests, to the members of the United States Congress who participated in our convention, and support the ideals and principles of our great organization; and be it

Resolved, That we extend our gratitude to the Convention Chairman Raymond P. Neal and his entire committee for providing personalized assistance to our friends and delegates during our convention stay.

That is the end of Resolution 353.

RESOLUTION 364

Whereas all members of the DAV have varying degrees of disabilities; and

Whereas our members in wheelchairs encountered extreme difficulty in procuring adequate living facilities at the national convention; and

Whereas the housing problems of many wheelchair delegates in the past have been extreme; Now, therefore, be it

Resolved, That no national convention site will be approved unless adequate and accommodating facilities be provided for all members wishing to attend the national convention; and be it further

Resolved, That the National Headquarters insure that the National Time and Place Committee have a wheelchair member to insure compliance with this resolution.

That is the end of that resolution. [Applause.]

Serving on General Resolutions with me, and I wish to acknowledge them for their great assistance: From District 2 was Mike Truscello; from District 3, Peter P. Salerno and his alternate, Roger Coryell; from District Number 4, Roy J. Mitchell and Alexander Pittman; from District Number 5, Martin Levy; from District Number 6, E. E. Hutchison; from District Number 7, Allan C. Williams; from District Number 8, Leo H. DeGreef; from District Number 9, Barney Barfield and Georgia R. Booth; from District 10, Delbert B. Nelson and Rex Kiser. Delbert Nelson also served as the secretary for the committee.

From District Number 11, Walter W. Jones; from District Number 12, Paul D. Jarret and Donald E. Bloom; from District 13, Dale White and Connie Potter; from District 14, Adrian P. Hunt; and from the Blind Veterans National Chapter, Bernard Frank.

Comrade Commander, this completes the report of the General Resolutions Committee, and I move the adoption of these resolutions, and that the committee be discharged with the thanks of the convention. The General Resolutions wishes to express our deep appreciation to our committee adviser, Arthur H. Wilson, chief of claims, for his very able assistance. Respectfully submitted, Sam B. Mullin, District 1, chairman.

Mr. Butler. Mike Number 1.

National Commander Meadows. Mike 1.

Mr. Butler. Butler, Buddy's 11, Dallas, Texas, moves to receive the report of the committee.

National Commander Meadows. Do you second the report; do you second the motion?

Mr. Butler. I will second the motion.

National Commander Meadows. We have a motion and a second for the acceptance of the report of the General Resolutions Committee. All those in favor, signify by saying Aye; all those opposed, No. The motion is carried. And let me add my own personal comments to Chairman Mullin.

The committee is to be congratulated for adopting the resolution commending your commander just as I wrote it. [Laughter and applause.]

[The above-mentioned approved resolutions follow:]

Resolution No. 075

Whereas the Disabled American Veterans has always been interested in the rehabilitation, employment and economic welfare of disabled veterans; and

Whereas the successful rehabilitation of a disabled veteran requires the full cooperation and efforts of the employer, the rehabilitation agency and the disabled veteran; and

Whereas an outstanding example of a disabled veteran overcoming his disability serves as an inspiration to other disabled veterans; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That the National organization continue the award programs designed to give recognition to severely disabled veterans who have overcome their disabilities.

Resolution No. 128

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, supports the enactment of legislation which would establish a National Patriotism Week to be celebrated during the third week of February of each year.

Resolution No. 176

Whereas the Disabled American Veterans is comprised of amputee veterans of all wars; and

Whereas the majority of these veterans participated in World War II against the Nazis; and

Whereas many thousands of veterans of the United States were killed or maimed at the hands of the Nazis; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, go on record opposing all activities of the American Nazi Party.

Resolution No. 207

Whereas the Congress of the United States has enacted legislation designating the last Monday in May as Memorial Day; and

Whereas this has detracted from the significance of the day set aside to honor the memory of those who sacrificed their lives in the military service of their country; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That the Congress of the United States be respectfully requested to rescind its action setting the last Monday in May as Memorial Day and to reestablish May 30 as Memorial Day.

Resolution No. 252

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would establish Flag Day, June 14, of each year as a National Holiday.

Resolution No. 253

Whereas Pearl Harbor Day, December 7, honors the memory of our deceased comrades whose remains are entombed in the disaster of that day in 1941; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would establish Pearl Harbor Day, December 7, of each year as a National Holiday.

National Commander **Meadows**. We will now receive the report of the Employment Committee. The chairman is Joe Evanoski, if he will come forward for his report, please.

Mr. **Joe Evanoski**. Comrade Commander Meadows, delegates, the National Convention Committee on Employment and Civil Service was called to order for its first business session on August the 14th, 1978 by Committee Adviser Ronald Drach, and Edwin Williamson. These two gentlemen were of immense assistance to us, and we appreciate very much their active participation.

The first order of business was the election of a convention committee chairman. Joe Evanoski, District 11, was nominated for chairman. There being no further nominations, the nominations were closed, and I happen to have been elected as your chairman.

The next order of business was the nomination and election of a secretary. Jimmy Roster, District 14, was nominated and elected secretary of the committee. The committee then proceeded to review the resolutions submitted, and I will now report to you on the resolutions recommended for adoption by this national convention.

For the purpose of saving time, I will read you a summary of the resolved portions of these resolutions. Resolution 003 was to amend the law to make eligible all unemployed disabled veterans for CETA openings.

Resolution Number 041, and incidentally, if you would like to have any of these set aside for your discussion, further discussion, we will be more than happy to do that. Resolution 041 was to reestablish the unemployment statistics for Vietnam Era veterans as ones who served in the Armed Forces between August 5, 1964 and May 7, 1975.

Resolution 061, to continue existing federal veterans preference laws.

Resolution 064, to provide that the annual plan of service for each state employment service includes adequate staffing and budget for a total adequate staffing and budget for a total veterans program and to strengthen the authority of responsibility for the veterans program, and also to provide for a continued review of veterans programs.

Resolution 065, to request legislation to redefine the definition of a veteran into four classifications for employment assistance in the state employment offices. They are listed as: (1) the veteran' (2) disabled veteran; (3) handicapped veteran; (4) Vietnam Era veteran.

Resolution 069, to improve opporuntity to disabled veterans to participate in CETA programs.

Resolution 070, requesting the Congress to amend Section 314(a) (15) of Public Law 94-566, the Unemployment Act of 1977, whereas persons retired with less than four years' military service with disabilities would not be penalized in collecting unemployment compensation.

Resolution 077, the Congress appropriate sufficient funds to enable the Veterans Employment Service and the state employment service to adequately do the job.

Resolution 107, recommend that the Department of Labor rescind the revision of CETA modifying the eligibility of persons who receive priority of referrals during the first 48 hours to public service employment openings.

Resolution 120 resolves that the Disabled American Veterans Outreach Program be upgraded to a professional level and granted full career status in the state employment agencies.

Resolution 137 resolves that the National Office of the Disabled American Veterans shall advocate and take the necessary action to assure that the United States Department of Labor will continue the DVOP Program for an indefinite period.

Resolution 142 resolves that the National Office of the Disabled American Veterans expand every effort to insure that the Veterans Preference Act of 1944 be held inviolate.

Resolution 236, to require local veterans employment representatives to advise veterans referred to a vacancy with a federal contractor of their right to file a discrimination complaint.

Resolution 238, to require national security and defense contractors to adhere to affirmative action provisions.

Resolution 239, to amend Section 12 of the Veterans Preference Act into six classifications for order of preference for retention in reductions-in-force procedures.

Resolution 241, to seek legislation which would amend Section 2011, Title 38, U.S. Code, to provide for a pre- and post-compliance review in federal contracts.

Resolution 242, to provide an assistant state veterans employment representative per each 150,000 veterans or other eligible persons residing in each state.

Resolution 295, to seek the discontinuation of contracting out by federal agencies.

Now, these were the following resolutions that were our committee resolutions:

Resolution 356, seek a reorganization to place the Veterans Employment Service, the Office of Veterans Reemployment Rights and Veterans Affirmative Action Programs under the Assistant Secretary of Labor for veterans employment.

Resolution 357, oppose any reorganization of OFCCP that will adversely affect the enforcement efforts in the Disabled Veteran Affirmative Action Programs.

Resolution 358, seek a legislative change to Title 5, U.S. Code, which would provide notification to any disabled veteran the reason for not applying physical waiver requirements, require all ten-point preference eligibles who are passed over to be notified in writing the reason for pass over and the right to appeal.

Resolution 359, award preference eligible status to veterans disabled while serving during a period of active duty for training.

Resolution 360, transfer of the Veterans Employment Service from the Department of Labor to the Veterans Administration.

Resolution 361, place position of Deputy Assistant Secretary of Labor for Veterans Employment in the executive pay level.

Resolution 362, amend Section 2012 of Title 38, U.S. Code, to require that the local veterans employment representative or his designee certify the nonavailability of qualified disabled and Vietnam Era veterans before other groups may be referred to mandatory job openings.

Resolution 363, to seek a change in the law for the purpose of establishing an Assistant Secretary of Labor for Veterans Employment.

Comrade Commander, this completes the report of the Employment Committee, National Convention Committee, and I move for the adoption of these resolutions and that the committee be discharged with the thanks of the national convention.

National Commander MEADOWS. Do I hear a second?

Mr. G. W. PERKINS. G. W. Perkins, Chapter 20, California, District 12, seconds the motion.

National Commander MEADOWS. We have a motion for the adoption of the report of the Employment Committee. Those in favor of adoption of the report, signify by saying Aye; those opposed. The motion is carried. Joe, we appreciate the report of the Employment Committee, and certainly the extensiveness of the report indicates the interest of this organization in employment rather than seeking benefits that would not involve gainful employment.

Also I would note that we see reflected in this report the fact that there are extensive numbers of programs in the federal government aimed at singling out one group or another for special handling and special treatment in regard to employment matters, and that has thrust upon the DAV the responsibility of seeing that veterans are given equal treatment in these various and sundry and exceedingly complex and rapidly expanding programs that cost billions of dollars, and that expanding and additional problem is certainly reflected in the report, and we thank you for your consideration of these various issues. [Applause.]

Mr. EVANOSKI. Thank you very much, Commander. Mr. Commander, I would like to say just a word. First of all, I want to thank all of the committee members who have served with me, and it is always a pleasure to serve the convention in this capacity. And this is one reason that Commander Meadows is a wonderful, knowledgeable person.

He is a great leader. He knows more about employment than I do, and I work with it. Thank you very much. [Applause.]

[The above mentioned approved resolutions follow:]

Resolution No. 003

Whereas a clear federal mandate for veterans' preference in programs under CETA is not written into the Comprehensive Employment and Training Act of 1973; and

Whereas family income often precludes the veteran from eligibility under the Act; and

Whereas veterans are not receiving the percentage of job openings to which they are entitled; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That amendments to the Comprehensive Employment and Training Act of 1973 be made to assure all disabled veterans are eligible for CETA openings.

Resolution No. 041

Whereas the Department of Labor in October, 1977 established new criteria for the Vietnam Era designation stating that a Vietnam Era veteran is one who was released from active military service within the last forty-eight months preceding the filing of a job application; and

Whereas this eliminates from Department of Labor Vietnam Era veterans unemployment statistics all veterans who were separated or became disabled in Vietnam; and

Whereas this creates erroneous statistical data proclaiming a decline in the Vietnam Era veterans jobless rate and the success of various veterans jobs programs; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, To redefine Vietnam Era veteran for Department of Labor reporting purposes to include any Vietnam Era veteran who served during the period August 5, 1964 through May 7, 1975.

Resolution No. 061

Whereas the Disabled American Veterans strongly supported federal, state and local veterans' preference laws; and

Whereas attempts are being made to weaken, dilute and circumvent existing veterans' preference laws; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, strongly opposes any administrative or legislative proposal which would weaken, eliminate or circumvent the Veterans' Preference Act of 1944.

Resolution No. 064

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, request the Secretary of Labor to issue directives for the States Plan of Service to provide for staffing of a total veteran program and establish a veterans affairs division at the state level, establish a line item in the budget for veterans services, and to provide for the continued review of state agency programs to assure that necessary staff are provided.

Resolution No. 065

Whereas the Department of Labor by administrative action has determined at least nine definitions of veteran for reporting purposes; and

Whereas these numerous definitions create confusion and double reporting in that many veterans may fit under several categories; and

Whereas Chapter 41, Title 38, defines veteran as a person who served in the active military, naval or air service and who was discharged or released therefrom with other than a dishonorable discharge; and

Whereas Chapter 41 is devoid of any definition for disabled or Vietnam Era veteran; and

Whereas we believe there should be a consistent reporting system of services to a minimal number of veteran categories; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to amend Chapter 41, Title 38, U.S. Code, to define veteran as follows:

1. Veteran—A person who served in the Armed Forces of the United States during a period of war or for which a campaign badge has been issued and was separated under honorable conditions.
2. Disabled Veteran—A person who is rated service connected by the Veterans Administration or whose discharge or release from active military service was for reason of a disability incurred in or aggravated during military service and was separated under honorable conditions.
3. Handicapped Veteran—A person who served in the Armed Forces of the United States during a period of war and has incurred disabilities from reasons other than active duty and such discharge from active duty was under honorable conditions.
4. Vietnam Era Veteran—A person who served in the Armed Forces of the United States, any part of which was during the period August 5, 1964 through May 7, 1975, and whose discharge from such service was under honorable conditions.

RESOLUTION NO. 069

Whereas Public Law 93-508, The Vietnam Era Veterans Readjustment Assistance Act of 1974, amended Title 38, U.S. Code, to liberalize eligibility for vocational rehabilitation to include veterans with a compensable disability in lieu of a 30 per cent disability rating; and

Whereas Title 38, U.S. Code, Chapter 42, defines a disabled veteran as one who is rated at 30 per cent or more or who was discharged or released from active duty because of a disability incurred or aggravated in the line of duty; and

Whereas Title 38, U.S. Code, Chapter 42, defines a Vietnam Era veteran as one whose discharge must have been within 48 hours preceding an application for employment assistance under Chapter 42, Title 38, U.S. Code; and

Whereas this definition of Vietnam Era veteran would virtually eliminate such employment assistance for Vietnam Era veterans as of May 7, 1979; and

Whereas disabled and Vietnam Era veterans continue to bear a disproportionate unemployment rate and have not received adequate assistance under Chapter 42, Title 38, U.S. Code, Now, therefore, be it

Resolved by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to amend Section 2011 of Title 38, U.S. Code, to redefine disabled veteran as "one who has a compensable disability under laws administered by the Veterans Administration or whose discharge or release from active duty was for a disability incurred or aggravated in the line of duty;" and be it further

Resolved, That the term Vietnam Era veteran be defined as "a person who served on active duty for a period of more than 180 days, any part of which occurred during the Vietnam Era and was discharged or released under honorable conditions" for the purposes of Chapter 42, Title 38, U.S. Code.

RESOLUTION NO. 070

Whereas Section 314, Public Law 94-566, The Unemployment Compensation Amendments of 1976, provides that state unemployment compensation shall be reduced by an amount equal to the amount of pension, retirement pay, annuity or other payments; and

Whereas this language is ambiguous and may be interpreted to preclude unemployment compensation benefits for certain disabled veterans and military retirees who are in receipt of such payments; and

Whereas the Disabled American Veterans believes that any veteran who is entitled to receive compensation or other benefits as a result of disabilities incurred on active duty should not be penalized when applying for other benefits; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to amend the Internal Revenue Code of 1954 to specifically provide that any disabled veteran in receipt of VA compensation, pension, military retirement annuity or other benefit as a result of military service will be exempt from the reduction in unemployment compensation.

Resolution No. 077

Whereas it has been the long established policy of the Disabled American Veterans to promote maximum employment opportunities for service connected disabled veterans; and

Whereas the Congress has expressed its intent to provide effective job training counseling, employment placement and job training placement for eligible veterans; and

Whereas the implementation of this policy is the responsiblility of the Deputy Assistant Secretary of Labor for Veterans' Employment within the Department of Labor; and

Whereas the United States Department of Labor has the legal responsibility to carry out the provisions set forth under the various laws governing veterans' employment; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, goes on record urging the Congress to appropriate sufficient funds to enable the Veterans' Employment Service and the State Employment Services to effectively carry our their mandate.

Resolution No. 107

Whereas the Youth Employment and Demonstration Projects Act of 1977 restricts priority referral to public service employment job openings to Vietnam Era veterans age 35 and under; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would eliminate the age 35 restriction for Vietnam Era veterans under The Youth Employment and Demonstration Projects Act of 1977.

Resolution No. 120

Whereas the Federal Employment Service has authorized and funded positions to assist disabled veterans of the Vietnam Era to gain employment; and

Whereas the unemployment rate of disabled veterans of the Vietnam Era exceeds that of the general labor force; and

Whereas the economy is rapidly gaining a healthy posture; and

Whereas those that protected us through the perils of conflict should be afforded an opportunity to share in the nation's growth; and

Whereas much remains to be accomplished to resolve this higher unemployment rate and gain successful employment for Vietnam Era veterans; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, supports the upgrading of the Disabled Veterans Outreach Program to a professional level with full career status.

Resolution No. 137

Whereas the Disabled Veterans Outreach Program (DVOP) is one of the numerous federal programs to help disabled veterans; and

Whereas the DVOP is funded under the Comprehensive Employment and Training Act, Title 1, to hire 2,000 disabled Vietnam Era veterans to work for state employment service agencies to locate and inform jobless disabled veterans about education, job training and employment benefits to which they are eligible; and

Whereas the funding maximum for salary for these disabled veterans is $10,000 annually and does not include funding for merit, promotion and cost of living increases; and

Whereas the Administration, through the Department of Labor, is programming a reduction in the DVOP program until it is eventually phased out; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Conventionassembled at San Francisco, California, August 13–17, 1978, request and support the continuation of the Disabled Veteran Outreach Program at a 2,000 position level; and be it further

Resolved, That the Department of Labor be requested to budget and fund an increased level of monies to adequately provide for merit, travel and cost of living increases for DVOP personnel.

RESOLUTION NO. 142

Whereas the Disabled American Veterans recognizes that veterans' preference has assisted veterans in gaining and retaining employment in the primary labor market; and

Whereas veterans' preference as outlined in the Veterans' Preference Act of 1944 has come under attack; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, expend every effort to insure that the Veterans' Preference Act of 1944 be held inviolate.

RESOLUTION NO. 236

Whereas the Affirmative Action Program for disabled veterans lacks a compliance oriented monitoring mechanism and is strictly complaint oriented; and

Whereas the local Veterans' Employment Representative has the primary responsibility of assisting disabled veterans and making referrals to federal contractors; and

Whereas the local Veterans' Employment Representative is the logical source through which the disabled veteran may receive this information concerning his rights; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17 1978, seeks the enactment of legislation which would mandate all Employment Service personnel, especially the local Veterans' Employment Representative to advise any veterans referred to a vacancy with federal contractors of their rights to file a complaint.

RESOLUTION NO. 238

Whereas Section 2012 of Title 38, U.S. Code, states "any contract in the amount of $10,000 or more"; and

Whereas the Department of Labor, in final regulations pursuant to Section 2012, exempts or waivers from coverage contracts for "national security" and "national defense"; and

Whereas any exemption or waiver granted under these regulations relieves the contractor of his obligatons to take affirmative action and to list his job openings with the local Employment Security Office; and

Whereas the Disabled American Veterans believes the Congress intended that all federal contractors be subject to the provisions of affirmative action; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation to amend Section 2012 of Title 38, U.S. Code, to subject federally funded national security and national defense contracts to affirmative action provisions.

Resolution No. 239

Whereas the purpose of the Veterans' Preference Act of 1944 is to provide preference for disabled war veterans in appointment, reinstatement, reemployment and in retention in civilian positions within the Federal Civil Service; and

Whereas a ten point preference eligible receives no more preference than a five-point veteran when the government seeks reductions-in-force; and

Whereas to fulfill the expressed intent of the Veterans' Preference Act, disabled veterans should be accorded special protection against reductions-in-force; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would amend Section 12 of the Veterans' Preference Act of 1944 to provide the following distinct order of preference for retention under reduction-in-force procedures:

(a) Career, compensable service connected disabled veterans—category 1.
(b) Career, noncompensable veterans—category 2.
(c) Career, non-veterans—category 3.
(d) Career conditional, compensable service connected veterans—category 4.
(e) Career conditional, noncompensable veterans—category 5.
(f) Career conditional, non-veterans—category 6.

Resolution 241

Whereas the equal employment opportunity provisions for minorities and women provide for pre and post compliance reviews in their affirmative action programs with federal contractors; and

Whereas affirmative action for disabled veterans does not provide for such compliance but rather is complaint oriented; and

Whereas the Disabled American Veterans believes that disabled veterans should be on an even par with other minority groups; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would amend Section 2012 of Title 38, U.S. Code, to provide for a pre and post compliance review in covered federal contracts.

Resolution 242

Whereas Title 38, U.S. Code, Section 2003, provides for the assignment by the Secretary of Labor of one State and at least one Assistant State Veteran Employment Representative for each 250,000 veterans residing in the state; and

Whereas recent legislation has significantly increased the job duties and responsibility assigned the veterans' employment service staff; and

Whereas the additional job duties cannot be carried out by the existing staff resources; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, supports legislation which would amend Section 2003 of Title 38, U.S. Code, to provide for the assignment of one Assistant State Veteran Employment Representative per each 150,000 veterans or other eligible persons residing within said state.

Resolution 295

Whereas for many years federal agencies have contracted out certain personal service functions normally performed by federal employees; and

Whereas the Office of Management and Budget has issued regulations which are ineffective and permit federal agencies to select some of their in-house functions to be contracted out to private industry; and

Whereas contracting out to private sources leads to higher costs, needless confusion and consternation on the part of government personnel; and

Whereas poor management exists since contract employees are not as closely supervised as government employees; and

Whereas many such contract-out services include guard, messenger and custodial services which are restricted by law to veterans as set forth in Title 5, Section 3310, U.S. Code; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978 continue to oppose the contracting out of personal services by federal agencies.

Resolution No. 356

Whereas the Disabled American Veterans has gone on record requesting the establishment of an Assistant Secretary of Labor for Veterans' Employment; and

Whereas the Veterans' Affirmative Action programs are under the Employment Standards Administration, the office of Veterans' Reemployment Rights is under Labor Management Services Administration and the Veterans' Employment Service is under the Employment and Training Administration; and

Whereas we believe all of these functions should be under one administration with an Assistant Secretary of Labor for Veterans' Employment; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks a reorganization of the above functions and assign them to an Assistant Secretary of Labor for Veterans' Employment.

Resolution No. 357

Whereas the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93–508) mandates that federal contractors will take affirmative action to employ and advance in employment qualified disabled and Vietnam Era veterans; and

Whereas it is our belief a strong enforcement program is necessary to assist disabled veterans in obtaining gainful employment; and

Whereas the President's reorganization plan to consolidate compliance agencies into the Department of Labor by October 1, 1978; and

Whereas this proposed reorganization of the Office of Federal Contract Compliance programs will downgrade the National office of the veterans staff and will reduce the staff from seventeen professionals to only four professional staff and one secretary; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, oppose strenuously any reorganization of OFCCP that will adversely affect the enforcement efforts in the Disabled Veteran Affirmative Action Programs.

Resolution No. 358

Whereas the current Administration is attempting to diminish federal job preference available to non-disabled veterans; and

Whereas it has been asserted that disabled veterans will benefit from the curtailment of the preference accorded non-disabled veterans; and

Whereas it is our belief that the ten-point preference currently available for disabled veterans is virtually not enforced; and

Whereas we further believe that additional language is needed in Title 5, U.S. Code, to strengthen certain provisions; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would amend Title 5, U.S. Code to:

1. Provide notification to any disabled veteran of the reasons for an agency not applying the physical waiver requirements provided for in Section 3312 of Title 5;

2. Require that all ten-point preference eligibles who are passed over for a non-preference eligible be automatically provided with the reasons for this pass over in writing and further be given the opportunity to appeal such decision and if such decision is appealed, the position will be held, in abeyance pending the outcome of the appeal, and if it is decided favorably for the preference eligible, the job shall be given to that person from the date that he or she would have been originally hired; and

3. Provide for additional retention preference to disabled preference eligibles over non-disabled preference eligibles in a reduction-in-force action.

RESOLUTION NO. 359

Whereas the Civil Service Commission has taken the position that disabled veterans whose only military service was during a period of active duty for training and not disabled veterans for purposes of veterans' preference; and

Whereas such disabled veterans may be eligible for benefits administered by the Veterans Administration, Department of Labor and other agencies; and

Whereas the Disabled American Veterans believes that the intent of Congress was to accord veterans' preference status to any disabled veteran who has served on active duty in the Armed Forces, separated under honorable conditions and has established the presence of a service connected disability or is receiving compensation, disability retirement benefits or pension; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would amend Section 2108 of Title 5, U.S. Code, to extend veterans' preference to disabled veterans whose disability was incurred or aggravated on active duty for training purposes.

RESOLUTION NO. 360

Whereas the Department of Labor has been ineffective in its implementation of existing legislation and new programs for veterans; and

Whereas the Department of Labor must serve all groups in our complex society while the Veterans Administration serves only veterans and their dependents; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation to transfer the Veterans' Employment Service from the U.S. Department of Labor to the Veterans Administration.

RESOLUTION NO. 361

Whereas Title 38, U.S. Code, Section 2002–A, establishes a Deputy Assistant Secretary of Labor for Veterans' Employment; and

Whereas the Department of Labor has established this position at the GS–17 level; and

Whereas the Deputy Assistant Secretary of Labor for Employment and Training is an Executive Pay Level V; and

Whereas the Disabled American Veterans believes in order for the Deputy Assistant Secretary for Veterans' Employment to be effective his office should not be subordinate to the Deputy Assistant Secretary for Employment and Training; Now, therefore be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would amend Section 2002–A of Title 38, U.S. Code, to establish an Executive Pay Level V or higher for the Deputy Assistant Secretary of Labor for Veterans' Employment.

RESOLUTION NO. 362

Whereas Public Law 93–508, the Vietnam Era Veterans Readjustment Assistance Act of 1974, amended Title 38, U.S. Code, to provide for affirmative action by certain federal contractors to "employ and advance in employment" qualified disabled and Vietnam Era veterans; and

Whereas over the past several years disabled and Vietnam Era veterans comprised less than 10 per cent of all jobs being filled in mandatory job listing openings; and

Whereas almost 50 per cent of disabled and Vietnam Era veteran applications were inactivated with no services in Fiscal Year 1977; and

Whereas disabled and Vietnam Era veterans continue to bear a disproportionate share of today's unemployment; and

Whereas it was obviously the intent of the Congress that these veterans receive first priority for these job openings; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Section 2012 of Title 38, U.S. Code, be amended to provide that the local Veterans' Employment Representative or his designee must certify that qualified disabled and Vietnam Era veterans are not available to be referred to mandatory job listing openings before any other client groups may be referred.

RESOLUTION NO. 363

Whereas Title 38, U.S. Code, Section 2002–A, establishes a Deputy Assistant Secretary of Labor for Veterans' Employment; and

Whereas that position was filled and occupied for approximately one year; and

Whereas from that one year experience the Disabled American Veterans identified bureaucratic problems encountered by that individual trying to carry out the duties of the job; and

Whereas the Disabled American Veterans believes in order for Veterans' Employment Programs to receive the priority needed that an Assistant Secretary for Veterans' Employment be established; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would establish an Assistant Secretary of Labor for Veterans' Employment.

National Commander MEADOWS. We now are prepared to receive the report of the DAV Service Foundation. I recognize the president of that foundation, Mr. Richard J. Cosgriff, for the report.

Mr. RICHARD J. COSGRIFF. Commander, I want to assure you that we had planned on giving this report. We were scheduled for 11:00 o'clock, and I told all of our friends we had special things lined up, and as things run late in the DAV, it would be more like 11:30, and here you are putting me on at 10.

This is the report of the DAV Service Foundation at its annual meeting. Commander Meadows, officers, delegates and distinguished guests, all: You know, I am proud today, proud because of the tremendous support that has been expressed and shown by your generous contributions to the Memorial Honor Roll and to the DAV Service Foundation of which I am privileged to serve as its president.

We have seen the foundation grow by some three quarters of a million dollars during the past three years. This is due to you, the members of the Disabled American Veterans. I am pleased to be joined in this service with you with such distinguished DAV members during the past year as National Commander Oliver Meadows; Judge Alfred English, past national commander from Tennessee; Jack O. Hicks, past national commander from Ohio; Cecil Stevenson, past national commander from Arkansas; William Surgi, past Imperial Golden Rodent from Louisiana; and Paul Freeman, chairman of the National Finance Committee, from Oklahoma.

I would be remiss if I did not acknowledge the invaluable assistance and advice that we received from the national staff; namely, National Adjutant Denvel D. Adams, National Judge Advocate Boniface Maile, and Assistant Adjutant Thomas Dehne, and many others at National Headquarters in Cold Spring, Kentucky.

At our meeting on August 12, 1978, the report from our secretary-treasurer, Jack O. Hicks, shows that our balance sheet increased by the amount of $247,528.73 since we were in Las Vegas last year. Our net worth—and I am particularly proud of this—has increasee since my report to you last July in Las Vegas, from $937,441 to a net worth as of August 1, 1978, to $1,204,969.80.

These great increases have been due to the increase in wills and bequests and the participation of friends and you, the members of our great organization.

I would like at this time, on behalf of the members of the Board, to express our appreciation of Past National Commander Judge Alfred English for his untiring efforts and assistance in establishing our present policy to reorganize and to rejuvenate the DAV Service Foundation as an active and vital cog in the Disabled American Veterans movement.

Judge English retired from the Board this year, and William Leach of St. Louis was elected to serve a two-year term in his place.

Another action taken by the Board was the approval of a complete listing of the Memorial Honor Roll, and it will be published in the DAV Magazine. This we hope will be published prior to the midyear meeting, which will be held either in late January or early February next year.

Mr. Commander, we are justly proud of the advancement the Foundation has made, and we feel it was due to your continuous support that we achieved another first this year, the great State of Montana being the first department to have every chapter a contributor of $100 or more to the Memorial Honor Roll.

And most of all, we owe a debt of gratitude to National Service Officer John Sloan who was responsible for this accomplishment. I think you all know that the contributions to the Perpetual Rehabilitation Fund, which only the interest and dividends may be used, guarantees the continuance of our great service to our veterans, their widows and their dependents for as long as their need exists.

And, Commander, under our Internal Revenue Code Exemption 501(c)(2), we are required by law to submit to the national organization the net income for the interest and dividends from our various funds, less the expense, and this check is in the amount of $48,082.38. And I was hoping that Jack Hicks, our secretary-treasurer would be here, and I told him not to worry about it until at least quarter after 11.

He has the check for this year, Commander, and we will give it to you upon his arrival. As we make this contribution to our national organization under our IRS status, it is most important that each chapter and department take a very close look at their own situation and make sure that you are—and I must put the emphasis on your funds—that these funds are spent for the purposes for which they are raised.

The IRS made it a point to inform us to see that the interest and the dividends from our funds were turned over to be used for the purposes for which these moneys are being held in trust.

In closing, let me acknowledge the receipt of the following checks that we have received since arrival here: Chapter 13 from California, $100; Robert C. Winthrop from California, Chapter 70, $100; Bedford County Bank of Tennessee, $100; First Federal Savings & Loan of Tennessee, $100; Chapter 43 in Tennessee in memory of three past commanders, Joe Bailey, D. E. Case and John P. Hart, in the amount of $100 each for a total of $300.

Thank you, Commander, and I move for the adoption of this report.

National Commander MEADOWS. Do I hear a second?

Mr. GEORGE GUSMAN. Comrade Commander, George Gusman, Chapter 43, Gardena, California, I rise at this time not only to second the motion, but also that Chapter 43 would like to start the parade of $100 checks here for the National Service Foundation, because that is what the DAV is all about, service.

At this time I would like to make a presentation to the comrade that is in charge of it, Richard Cosgriff, of $100 from Chapter 43. (Applause)

National Commander MEADOWS. Mike 3.

Mr. RODNEY. I am Rodney from California. In appreciation for the service support given to Chapter 2, California, by National Headquarters and in honor of our past commander of Chapter 2, California, I would like to pass to the good Comrade Cosgriff a check in the amount of $5,000. (Applause)

Mr. EARL BOWERS. Mr. Chairman, Mike 3.

National Commander MEADOWS. Mike 3.

Mr. BOWERS. Earl Bowers, Commander, Chapter 1, Arizona. May we approach the podium to present a donation?

National Commander MEADOWS. In the meantime, Mr. President, we will start here on your right.

MEMBER. I have a donation of $100. [Applause.]

MEMBER. Department of Oregon. It is my pleasure to donate $100 in the living memorial of our junior past commander, Department of Oregon. [Applause.]

MEMBER. Mr. Commander, Mr. Cosgriff, the great Tulsa Chapter Number 32, Disabled American Veterans Corporation, wishes to make a donation of $500 to the disabled American Veterans Service Foundation in appreciation to Paul and Luanda Freeman for their many years of dedication and service to the Disabled American Veterans.

As you know, Paul is our past chairman of our Finance Committee. [Applause.]

MEMBER. Comrade Commander, in behalf of the Department of Maryland, I am honored to present this check in the sum of $5,000 to the National Foundation. [Applause.]

MEMBER. In the name of the past commanders of Chapter 17 of the Department of Maryland, I have two checks for $100 to the National Service Foundation. [Applause.]

Mr. BOWERS. Mr. Chairman, Earl Bowers, commander, Chapter 1, Phoenix, Arizona. We are very honored to appear before you and present this check on behalf of all the members of Chapter 1, our Thrift Store Committee Chairman John Richling, who was the NSO supervisor in Arizona, we proudly present to you a check—and I would like anybody, to challenge anybody to match it or pass it—$10,000. [Applause.]

MEMBER. In presenting this check, we want you to know of the great deal of discipline, courage and foresight—for those who are making this presentation, we realize after many years of service that this great humanitarian service is probably the most outstanding in the United States and is represented in our service program.

We believe this is an example of confidence in our service program, and I hope you all will do likewise in the coming years. We tried to set a good example, and I believe this is one, $10,000. [Applause.]

Mr. P. D. Jackson. Buddy's Chapter Number 11 commander is requesting I make this report that the delegates from Buddy's Chapter 11, Dallas, Texas were waiting for this convention to honor one of the outstanding members of the DAV. He rose to the top in 1941 and served his one year, no other than the great Laurence Melton.

Our newly elected commander from El Paso, Texas, and Region 1 jumped the gun, and we are proud of it. But we will hear from the delegates and Buddy's Chapter, I am sure, Mr. Chairman, and there will be further contributions coming from the great State of Texas. Gentlemen, we are making a total contribution of $150.

Buddy's Chapter has the cash, and when we get back, I assure you and this convention that we had some great men in the chapter, but none much better than the late Laurence Melton. He was a great DAV, and he put the DAV on the map, not only in Texas, but every state in this Union.

I would like to give another $150. [Applause.]

Member. Mr. Commander, it gives me great honor to come up before you in the name of Mr. DAV of Mississippi, $1,000. [Applause.]

Member. It is with great pleasure from Chapter 20, Glendale, Arizona, I present this check for $1,200. [Applause.]

Member. Comrade Commander, in keeping with our tradition of donating $100 for every past commander that passes away, Bakersfield would like to present this check for $200 in memory of Denny L. Haynes and Edward L. Black who passed away this past year. This brings our total up to well over $6,000 that has been contributed from Bakersfield. [Applause.]

Member. Comrade Commander, I would like to give $150 from the Disabled American Veterans, Oakcliff Chapter in Dallas, Texas 32. [Applause.]

Mr. Cosgriff. I have two additional checks that have been handed to me: one from Chapter 45 of San Luis Obispo, California, in the amount of $100; and one from Chapter 91 in California in the amount of $100. We are going to try in California to have every chapter a contributor between now and the next convention. Thank you very much for all your contributions, and I am sure now that I will have to go to Tijuana after we leave here. [Laughter.]

National Commander Meadows. You know, we have a distinguished title here for the chief officer of the Service Foundation. We call him president of the foundation. You recognize, of course, that it was difficult for P.D. to present those checks on behalf of his good friend, Laurence Melton.

I personally utilized previously the opportunity at the beginning here today and the opportunity to honor that personal friend of mine, and I admonish you and suggest to you that you remember that this is an excellent way to remember those of us associated with us in the affairs of the DAV and those of us, those friends of ours that we seek to remember through passing through death or other reasons.

The president said here to you that this foundation has increased, received contributions this year of more than $150,000. He said to you that it is a million-dollar organization. He said to you that it is a nest egg, that it is a fund created specifically for the purpose of generating income for the service program of this organization.

There is a lot of loose money in this country. There are tremendous amounts of money being given to lots and lots of different kinds of organizations, some of them quite frivolous. I don't know whether you have ever thought about it or not, but if you happen to be one of those people—and I have a personal friend in this category—if you happen to be one of those people blessed with a great amount of resource but do not have immediate heirs, it is more of a problem than you think to find a worthy, proper place to put your money, so that it can be placed with some satisfaction before your death.

I see this problem occur quite often among acquaintances and friends. There are all sorts of types of gifts that can be made. I recall before leaving Washington that there was a man down in Virginia through his lawyers that tried and tried and tried to give us $3 million worth of land for a cemetery.

He desired to have that land placed into some permanent use other than letting it revert through the inheritance channel. Because of the technicalities regarding the federal government, that land never came into the service of veterans, but I cite it as the kind of a gift that there are many people willing to make.

I admonish you to think about this, to realize that there are more of these kinds of situations than you would imagine, and certainly I admonish you to utilize the Service Foundation, to remember our friends and comrades that served with us in the cause of this organization.

Now then, it will be my great pleasure—now then, before taking a final vote for the adoption of this report, it will be my great pleasure to hold out my hand here as the principal officer of this organization at this moment at least, to receive this $48,000. [Laughter and applause.]

Mr. Cosgriff. It breaks my heart, Commander.

National Commander Meadows. $48,082.38.

Mr. Cosgriff. Well, Commander, let me say that we have just received back half of that in the collection that we received here a few minutes ago. It amounted to $26,600. [Applause.]

National Commander Meadows. We have a motion before us to adopt the report of the DAV Service Foundation. Those in favor of adopting the report, please signify by saying Aye; opposed, No. The motion is carried.

Disabled American Veterans Service Foundation, Larue, Ohio—Financial Statements, December 31, 1977

Manter, Culp & Holbrook,
Certified Public Accountants,
Marion, Ohio, June 27, 1978.

Board of Trustees,
Disabled American Veterans Service Foundation,
LaRue, Ohio.

We have examined the balance sheet of Disabled American Veterans Service Foundation as of December 31, 1977, and the related statement of funds in trust for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that, as to revenue from contributions and bequests, it was not practicable for us to extend our examination beyond the Foundation's accounting for such recorded revenue.

In our opinion, except for the effects of any adjustments that might have resulted had contributions and bequests, referred to above, been susceptible to satisfactory audit tests, the accompanying balance sheet and related statement of funds in trust present fairly the financial position of the Foundation at December 31, 1977 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

MANTER, CULP & HOLBROOK,
Certified Public Accountants.

DISABLED AMERICAN VETERANS SERVICE FOUNDATION, LARUE, OHIO
BALANCE SHEET—DEC. 31, 1977, AND DEC. 31, 1976

	Dec. 31, 1977	Dec. 31, 1976
Cash:		
General checking account	$4,813.46	$32,610.59
Savings accounts and investment certificates	521,741.94	408,509.04
Cash held by investment adviser		236.15
Total cash	526,555.40	441,355.78
Receivables—Dividends and interest	9,134.48	4,810.67
Prepaid insurance	275.91	594.27
Investments—Marketable securities at cost (approximate market value: 1977, $535,115; 1976, $501,713)	491,052.63	419,278.41
Total	1,027,018.42	866,039.13
LIABILITIES AND FUNDS IN TRUST		
Current liabilities:		
Accounts payable	9,172.03	4,310.41
Deferred income (proceeds from open options)	33,390.47	47,622.45
Total, current liabilities	42,562.50	51,932.86
Funds in trust:		
General trust account	141,109.93	102,199.58
Special trust accounts:		
Perpetual rehab funds and permanent reserve fund	779,418.20	653,978.90
National Order of Trench Rats, DAV legislative progrrm	63,927.79	57,927.79
Total, funds in trust	984,455.92	814,106.27
Total	1,027,018.42	866,039.13

STATEMENT OF FUNDS IN TRUST FOR THE YEAR ENDED DEC. 31, 1977

			Special trust accounts	
	Total	General trust account	Perpetual rehab funds and permanent reserve fund	National Order of Trench Rats, DAV legislative program
Funds in trust, Jan. 1, 1977	$814,106.27	$102,199.58	$653,978.90	$57,927.79
Additions:				
Contributions and bequests	131,439.30		125,439.30	6,000.00
Interest on savings deposits, and marketable securities	35,185.62	30,324.00		4,861.62
Dividends on investments	23,255.68	23,255.68		
Gain (loss) on sale of investments	(5,883.71)	(5,883.71)		
Gain on sale of options	17,077.08	17,077.08		
Total	1,015,180.24	166,972.63	779,418.20	68,789.41
Deduct:				
Expenditures:				
Honor Roll publication	13,121.47	13,121.47		
Board of trustees travel, services, and other expenses	8,906.63	8,905.63		
Insurance	318.36	318.36		
Professional services	2,550.00	2,550.00		
Telephone and telegraph	270.89	270.89		
Printing, postage, and supplies	600.00	600.00		
Income transfer to Disabled American Veterans, Inc	4,861.62			4,861.62
Other	96.35	96.35		
Total	30,724.32	25,862.70		4,861.62
Funds in trust, Dec. 31, 1977	984,455.92	141,109.93	779,418.20	63,927.79

National Commander **Meadows**. We have a presentation here that we would like to make. John, would you come forward, please. This presentation is to John E. Sloan, Department of Montana. It is presented for his untiring efforts in behalf of the Disabied American Veterans Service Foundation. As I understand it, John, every chapter in the Department of Montana has supported the efforts of the foundation, and we recognize the efforts of the department and your personal effort. Congratulations for a fine achievement. [Applause.]

Mr. **John E. Sloan**. Thank you very much, Comrade Commander. At this time, I would like to thank the foundation for the beautiful plaque and remind all of you delegates that it was the Honorable Judge John B. McClernan of Butte, Montana. This is his baby, and we have 100 percent coverage by all the chapters in the State of Montana and the Auxiliary units, and we just hope that some day every chapter and Auxiliary unit in the United States have set up a PRF.

And, now that we have names like JFK, Ike Eisenhower, Harry Truman and the Honorable Mike Mansfield, we have the PRF. We think that the foundation will some day be able to go out on Capitol Hill and our Senators and Representatives will jump over each other to get their name on that list. And we are quite proud of this. Thank you very much. [Applause.]

National Commander **Meadows**. Thank you so much, John.

I would like to add to these proceedings at this time the reading of a plaque to the Honorable John B. McClernan, founder of the DAV Service Foundation: "Your wisdom and foresight in establishing the perpetual rehabilitation fund of the Disabled American Veterans Service Foundation will always be remembered." Signed, Richard J. Cosgriff, president; Jack O. Hicks, treasurer. This presentation will be made later.

Now, before recognizing Mike 1, there is one other thing I want to do. I want to personally add my thanks and appreciation to Judge English, the man that rejuvenated the activities of the Service Foundation, a man of no mean talents when it comes to gaining contributions.

We were especially impressed when he delivered checks from two banks for presentation to the foundation because, you know, if you can get on the other end of getting money out of a bank, you have got to have some talent. Judge, thank you so much for your efforts for this foundation. [Applause.]

Mike 1.

Mr. **Walter Holder**. Commander, sorry I am a little late. I didn't realize we were going to have the report this morning. I am Walter Holder, past department commander, Department of New York, and we have what we call a Past Department Commanders Club, and at this time, with your kind permission, I would like to present two checks in the amount of $100 each.

One is in memory of a PDC from the Department of New York, Wilber Sharp; and the other one is a hundred-dollar check in behalf of one of our wonderful past national commanders, Francis R. Buono. Thank you, Comrade Commander. [Applause.]

National Commander **Meadows**: Thank you very much.

Member. Comrade Commander, Omaha, Nebraska. There was, a little challenge was put out here just a few minutes ago for this

Service Officers Foundation, and I think Omaha, isn't that right, we are going to challenge that $10,000 check. I think we can match that next year and maybe even better. [Applause.]

National Commander **Meadows**. We will now receive the report of the Veterans Rights Committee. The chairman is Chester Clute. Chester, will you please come forward for your report.

Mr. **Chester Clute**. Thank you, Comrade Commander. My name is Chester Clute. I am from Chapter 121, Battle Creek, Michigan, District 8. I would like at this time to make the report of the Veterans Rights Committee. Prior to actually making the report itself, I would like to give you just a little background on what we had to do.

We had 146 resolutions to consider.

We adopted 37 legislative resolutions and eight administrative resolutions. Those resolutions that were rejected were rejected because they were either duplicates of an accepted resolution, or they did not pertain to the Disabled American Veterans programs.

If I may, Mr. Commander, break the rules just a little bit, because of the time and the persistence of the members of this committee, I would like to recognize each member at this time: From District 1, we had Vincent Reed; District 2, Paul J. Tuliano; District 3, Norman Witkin; District 4, James Combs; District 5, John Barr; District 6, Dewey Alford; District 7, Verne Nygaard, who was also the secretary of the committee; District 8, myself; District 9, Daniel Burton; District 10, David Ryan; District 11, Chuck Lord; District 12, Larry Dawson; District 13, Otto Rudolph; District 14, Ken Smith.

These gentlemen sat in one chair for four and a half hours of continuous committee session, and I understand that I believe we broke a record this year. We completed our 100-and-some-odd resolutions in less time than we ever have before. I don't know how that happened, but that is the way it developed.

The advisers for the committee were Norman Hartnett, and the advisers which we did not divide so they would come with both at the same category, one for legislation and one for administrative, were William Gearhart and John Heilman. And I might add, without their assistance, we wouldn't have completed our time as we did.

The first resolution that we approved was Resolution Number 167, increase in service-connected compensation, DIC, special monthly compensation and clothing allowance.

Resolution Number 196, to provide an aide and attendants allowance for any kind of a loss or loss of use of both hands.

Resolution Number 333, increase dependency allowance for service-connected veterans.

Resolution Number 11, to provide for additional compensation for dependents of veterans rated at less than 50 percent.

Resolution Number 12, liberalization of specially adaptive equip- for automobiles for certain disabled veterans.

Resolution Number 210, service-connected death benefits for veterans rated at 100 percent for ten years or more.

Resolution Number 337, aide and attendant dependents allowance for dependent parents of service-connected veterans.

Resolution Number 10, to increase the specially adapted housing grant from $25,000 to $35,000.

Resolution Number 16, concurrent payments of VA disability compensation and military retirement pay.

Resolution Number 234, presumption of service connection for heart conditions of veterans who were former prisoners of war.

Resolution Number 168, presumption of five years for service connection on certain chronic diseases for former prisoners of war.

Resolution Number 37, dependency allowance for helpless children, regardless of age of adoption.

Resolution Number 17, to provide a ten-year protection period for service-connected evaluations.

Resolution Number 47, to provide proportionate compensation for service-connected disabilities rated at 50 to 100 percent.

Resolution Number 18, establishing a presumption of service connection for a cardiovascular condition of service-connected amputee veterans.

Resolution Number 307, to oppose any reorganization of the Veterans Administration.

Resolution Number 53, payment of compensation for psychosis diagnosed within two years from date of discharge.

Resolution Number 330, judicial review of veterans claims.

Resolution Number 335, opposing lifting of private attorney's fee restrictions for VA benefit representation.

Resolution Number 91, to provide for a period of two years after discharge to apply for National Service life insurance.

Resolution Number 218, to increase the face value on National Service life insurance to $20,000.

Resolution Number 140, mortgage life insurance for service-connected veterans.

Resolution Number 162, service connection for paired extremities.

Resolution Number 351, to support a study of the long-term effects of radiation exposure.

Resolution Number 350, to support a study of the effect of age.

Resolution Number 164, education benefits for children of veterans rated at 50 percent or more.

Resolution Number 194, equal payments for all widows receiving service-connected death benefits.

Resolution Number 273, three-year presumptive period for all types of cancer.

Resolution Number 220, to permit receipt of both VA death benefits and payment under the survivor benefit plan.

Resolution Number 203, statutory K Award for loss of a kidney.

Resolution Number 232, statutory K Award for service-connected heart conditions which require the implantation of a pace-maker.

Resolution Number 233, increased evaluation for service-connected loss or loss of use of three extremities.

Resolution Number 290, increase presumption period for epilepsy.

Fesolution Number 342, VA benefits of persons residing outside the 50 United States.

Resolution Number 349, to extend medical care under the CHAMPA to dependents of service-connected veterans rated at 80 percent of more.

Resolution Number 322, housing grants for service-connected double arm amputees.

Resolution Number 325, Chapter 35 benefits to the wife of a veteran within ten years from the date of their marriage.

Resolution Number 321, resolution for time limit in processing temporary 100 percent rating due to hospitalization.

Resolution Number 214, supporting a change in the effective date for reductions in VA benefits.

Resolution Number 183, assignment of Paragraph 29 rating for hospitalization requiring 15 days or more.

Resolution Number 160, clothing allowance for veterans with service-connected skin conditions.

Resolution Number 152, liberalize entitlement criteria for CB radio.

Resolution Number 99, to reduce the percentage requirements for entitlement to a personal and total disability rating based upon individual unemployability.

Resolution Number 94, revert to previously used nine-line identification card for veterans in VA hospitals.

Resolution Number 81, to provide a space on VA grave markers to hold the American flag for memorial services.

Comrade Commander, that completes the report of the Veterans Rights Committee, and at this time I would like to request the adoption of this report.

National Commander Meadows. Do I hear a second?

Mr. Tillman. James Edgar Tillman, Jr., Blind Chapter, seconds the motion.

National Commander Meadows. We have a motion and a second for the adoption of the report of the Veterans Rights Committee. Those in favor, signify by saying Aye; those opposed, No. The report is adopted. Mike 3.

Mr. Jackson. P. D. Jackson, Buddy's Chapter Number 11. With the help of the Almighty Creator, this is my 52nd national convention, and I think one of the greatest accomplishments of any chairman, of any and all of these wonderful committees and their chairmen, is Chester Clute, National Adjutant and Commanders Association, I think can get a job in any state in the United States as a newscaster any time he asks for it. Thank you. [Applause.]

Mr. Clute. Comrade Commander, may I please request that the committee be discharged, and if for no other reason on my behalf, because they were so good, may they be discharged at this time. [Applause.]

National Commander Meadows. I will entertain a motion to discharge the committee with thanks in just a moment, but I would like to add my only personal thanks for the expeditious work for a very large assignment load that the Veterans Rights Committee had, and I would like to observe that this listing of resolutions and some that you will hear from another committee, that prompted me to say yesterday that we are at a phase in veterans programs, programs of the disabled, that require our attention to a great amount of detail many times involving relatively small groups of people.

This program is no longer in a state where it can be dealt with with broad brush treatment. We exerted a great deal of effort this last year seeking to pass two pieces of legislation that cost us less than $1 million a year and affected less than 1,000 seriously disabled veterans in each case.

Despite the fact that big numbers are not there, the appropriations are not involved, we have felt that it is just as important to push for achievement of these kinds of highly specialized improvements as it is to concern ourselves with broader pieces of activity, such as percentage increases and that sort of thing.

I would like to say also that the situation relating to compensation, compensation programs for the disabled, compensation for DIC is not in a particularly satisfactory circumstance as far as I am personally concerned. I know that Disabled American Veterans are not a complaining lot. They are notorious for their low-key demands.

They have a reputation in the Congress of being reasonable, but I would point out to you that the compensation system that we have today simply happened. It is not the product of any science. It is not the product of any great cumulative body of study. It has evolved over a period of 50 years, and it had its origin, as we know it today, following World War I.

Well now, it is true that we do provide modest amounts of compensation to people with serious disabilities, but we have become greatly concerned as we see a changing trend in this country, particularly as it involves public settlements, settlements by the courts for disabilities that individuals receive.

Now, let me just mention three things that bring this to mind. I saw a case just last week in my own hometown, which has a small ammunition loading plant, that had an explosion that injured several employees. It injured the foreman. It shattered his right elbow and seriously damaged his right arm. That man was awarded a settlement last week of $368,000.

We had an engineer who walked through a hole while he was inspecting the air conditioning on a ship down in Houston that received an award—he was seriously injured but not nearly so seriously injured as some people in this room—he was seriously injured, and he received an award of over $1 million.

Three weeks ago in Washington, D.C., after an appeal, the courts there found for a 25-year-old young man who was driving his car in the District of Columbia and hit a tree located on the grounds of the Indian Embassy; the tree fell across him and rendered him paralyzed. He has a below-the-waist paralysis quite similar to that that many disabled veterans have. That man was awarded a settlement of over $1 million.

Of course, we have the grand champion of all of this, the recent award right here in this State of California of $125 million for a man who was riding as a passenger and was burned in a pinto automobile rear accident. That case, of course, has been appealed, and it exceeds all limits of rationality, but nevertheless that kind of award was handed down.

Now, let me do a little arithmetic for you. A million dollars invested at 7 percent would produce $70,000 a year. I don't know any disabled veteran, regardless of the total accumulation of disabilities, that receives anything like that. Now I mention this growing trend in the country to make these exceedingly generous awards to reflect with you that perhaps our own compensation system, one that we have grown accustomed to, may not be as great a system as we think it is, and I hold it up as one of the examples of the challenges that face this organization.

If it is not a good system, what would be a good system? If it is not a fair system, what would be a fair system? That is the kind of challenge that confronts this organization as we see the changing times and changing attitudes. Maybe we cannot rewrite the whole system, who knows.

But if we can't, then we look to the report of this committee which has dealt in great detail with different situations relating to parents, relating to housing, relating to wheelchair patients, relating to special appliances and benefits, the type of thing that Chairman Clute has just reported to us, so we will continue our efforts to work at these piecemeal improvements as we have done for years and years.

But on the other hand, I commend to this organization the thought about whether the whole system has kept pace with changes in the country.

Now then, I will entertain a motion to discharged with thanks Chairman Clute and his committee. Mike 3.

Mr. George Nicholas. Comrade Commander, George Nicholas, Scott County Chapter 2, Iowa, moves that the committee be dismissed with a rising vote of thanks from the audience.

National Commander Meadows. Do I hear a second? Mike 1.

Mr. Tillman. Mike 1, James Edgar Tillman, Jr., seconds the motion.

National Commander Meadows. The motion has been seconded that we discharge the Veterans Rights Committee with thanks, I believe a rising vote of thanks. All in favor, rise. [Standing ovation.] The motion is carried.

Mr. Clute: Thank you, Commander, and thank you, ladies and gentlemen.

[The above-mentioned approved resolutions follow:]

Resolution No. 167

Whereas this Nation's spiraling inflation and increase in the cost of living works a grave hardship on service connected disabled veterans in receipt of VA disability compensation and on the dependents and survivors of service connected veterans in receipt of dependency and indemnity compensation payments; and

Whereas the Veterans Administration's rates of disability compensation and dependency and indemnity compensation benefits remain inadequate to provide for the well-being of service connected disabled veterans, their dependents, widows and orphans; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That the Congress of the United States be petitioned to provide a realistic increase in the rates of disability compensation, dependency and indemnity compensation, special statutory awards and the annual clothing allowance in order to raise the level of VA benefits provided up to the current standard of living.

Resolution No. 196

Whereas veterans who have sustained the anatomical loss or loss of use of both hands have extreme difficulty in performing the everyday tasks of caring for themselves; and

Whereas such veterans, when able to wear their prosthetic appliances, are so severely handicapped that they are generally unable to sustain gainful employment and are often forced to live with another person in order to meet their needs; and

Whereas the VA schedule for Rating Disabilities acknowledges the fact that the amputation of a hand is more seriously disabling than the amputation of a foot by extending a 70 percent evaluation for the amputation of a major hand and a 60 percent evaluation for the similar disability of a minor hand as opposed to a 40 percent evaluation for the amputation of one foot below the knee; and

Whereas veterans who suffer the bilateral loss or loss of use of both hands are unable to perform many of the tasks of caring for themselves and accordingly should be compensated at a greater rate than provided to those service connected veterans who suffer the loss or loss of use of both feet; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That Section 314, Title 38, U.S. Code, be amended to establish a new Subsection (T) that would provide those service connected disabled veterans entitled to compensation authorized under Subsections (L) through (N) for the anatomical loss or loss of use of both hands a special aid and attendance allowance of $350 per month.

Resolution No. 333

Whereas pension reform legislation presently pending in the Congress would dramatically increase dependency benefits for non-service connected disabled veterans; and

Whereas such legislation, if enacted, would provide from $1,044 to $1,200 in dependency allowances annually for married non-service connected veterans; and

Whereas totally disabled service connected veterans receive only $552 in dependency allowances annually for a spouse; and

Whereas eligible service connected disabled veterans should not receive less in benefits for thie dependents than non-service connected veterans; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That legislation be enacted that would increase VA dependency allowances for service connected disabled veterans to at least the amount which is proposed for non-service connected pensioners.

Resolution No. 011

Whereas it has been the policy of the Disabled American Veterans to ensure that all disabled veterans are treated equally and to attempt to correct discriminatory legislation; and

Whereas under existing law only service connected veterans who are rated 50 per cent or more are entitled to additional compensation for their dependents; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of legislation which will provide additional compensation for the dependents of service connected veterans rated from 10 through 40 per cent disabled.

Resolution No. 012

Whereas under present laws and regulations only those veterans who meet the requirements for the loss of use of a limb are entitled to specially adaptive automobile equipment; and

Whereas veterans with an ankylosed knee or hip that is considered at a favorable angle for compensation rating purposes do not meet the requirements for loss of use of a limb required for the automobile equipment; and

Whereas many state driver's license laws require veterans with ankylosed knees or hips to have specially adaptive equipment on their automobiles in order to be issued a driver's license to safely operate a motor vehicle; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, goes on record recommending that necessary action be taken to provide that in cases wherein a veteran has a service connected disability that, in the opinion of the Chief Medical Director and driver's license laws require specially adaptive equipment, be issued the necessary equipment, the same as those who meet the schedular requirements for loss or loss of use of a limb.

RESOLUTION No. 210

Whereas under existing laws and regulations, widows, children and dependent parents are entitled to dependency and indemnity compensation when the veteran's service connected disability was the immediate or a contributory cause of death; and

Whereas VA regulations provide that a contributory cause of death may be conceded when the service connected disability is rated 100 per cent and affects a vital organ; and

Whereas service connected disabilities which do not affect a vital organ are not considered to have a debilitating effect even though they are rated 100 per cent disabling; and

Whereas such service connected total disabilities often prevent the veteran from obtaining gainful employment, qualifying for life insurance coverage, or providing for the future security of their dependents; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Title 38, U.S. Code, be amended to provide a presumption of service connection for the cause of death in the case of a veteran who had been rated permanently and totally disabled as the result of service connected disabilities for ten or more years and who died from natural causes unrelated to any misconduct on his part; and be it further

Resolved, That the presumption of service connected death shall not apply in the case of a spouse who had been married to the veteran for less than one year preceding his death.

RESOLUTION No. 337

Whereas increased dependency allowances are presently authorized for service connected veterans whose spouses demonstrate a need for aid and attendance; and

Whereas recognizing the financial burden placed upon service connected veterans with dependent parents, current law authorizes dependency allowances for such veterans for their dependent parents; and

Whereas dependent parents who require regular aid and attendance place an additional financial burden upon service connected disabled veterans; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would extend increased dependency allowances to service connected veterans whose dependent parents are in need of regular aid and attendance.

RESOLUTION No. 010

Whereas the cost of home construction has greatly increased in recent years; and

Whereas seriously disabled veterans find it difficult to secure adequate housing for themselves and their families; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted by the Congress which would increase the maximum amount of the VA specially adapted housing award to $35,000.

RESOLUTION No. 016

Whereas ex-servicemen who are retired from the military on length of service must waive a portion of their retired pay in order to receive disability compensation from the Veterans Administration; and

Whereas it would be more equitable if the laws and regulations were changed to provide that in such cases the veteran would be entitled to receive both benefits concurrently since his eligibility for them was accrued or earned under two entirely different sets of enabling laws and regulations; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, supports legislation and changes in applicable regulations which would provide that a veteran who retired for length of service and is later adjudicated as having service connected disabilities, may receive concurrent benefits from the military department and from the VA without deduction from either.

RESOLUTION No. 234

Whereas prisoners of war have suffered privation, starvation and other atrocities while being held as prisoners; and

Whereas it appears that an unusually large number of former prisoners of war suffer from heart conditions and death from heart conditions; and

Whereas studies indicating that beri-beri and other diseases suffered by prisoners of war result in the latent development of heart conditions; and

Whereas due to the lack of medical records from prisoner camps which would assist former prisoners of war to develop their claims for service connection for heart conditions; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to provide for a presumption of service connection for heart conditions of veterans who were prisoners of war.

RESOLUTION No. 168

Whereas prisoners of war suffered malnutrition, exposure and brutality sufficient in nature to weaken their mental and physical resistance to chronic diseases; and

Whereas many former prisoners of war suffer physical or mental impairments years beyond the presumptive periods currently established for service connection of chronic diseases; and

Whereas some medical studies conducted regarding the physical conditions of former prisoners of war show that the after effects of their internment often do not become evident until long after separation from military service; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would amend Title 38, U.S. Code, to provide a five-year presumptive period for those chronic diseases listed in Section 301 for any former POW who was incarcerated for a period of 180 days or more; and be it further

Resolved, That Section 301, Title 38, U.S. Code, be further amended to include the conditions of chronic bronchitis and chronic bronchial asthma.

RESOLUTION No. 037

Whereas Title 38, U.S. Code, Section 315, authorizes additional monthly benefits to veterans who receive compensation for service connected disabilities evaluated at 50 per cent or more; and

Whereas this dependency allowance is payable for those children who, prior to eighteen years of age, became permanently incapable of self-support and were dependent upon the veteran prior to their eighteenth birthday; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Title 38, U.S. Code, Section 315, be amended to include any child who became permanently incapable of self-support before his/her eighteenth birthday be considered a dependent regardless of his/her age at the time of adoption.

RESOLUTION No. 017

Whereas Section 110 of Title 38, U.S. Code, now provides for the protection of all disability compensation evaluations that have been continuously in effect for 20 or more years; and

Whereas permanency should be conceded for disability compensation ratings which have been in effect for ten years without change in evaluation with no further examination scheduled; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Section 110 of Title 38, U.S. Code be amended to provide that disability evaluations continuously in effect at the same evaluation rate be protected after a period of ten years.

RESOLUTION No. 047

Whereas the present compensation payment for a service connected disability rating of 100 per cent is $754 per month; and

Whereas the monthly compensation payments for disabilities rated from 50 through 90 per cent range from $216 to $419 and are not in equal proportion to the 100 per cent rating; and

Whereas this discrepancy in compensation payments is unfair to service connected veterans who are less than totally disabled; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, urge the Congress of the United States to correct this inequity by equalizing the compensation payments for disabilities rated from 50 through 90 per cent in direct proportion to the total rating.

RESOLUTION No. 018

Whereas a service connected disabled veteran with one or more amputated extremities is necessarily subject to severe and acute physical exertion, pain and distress by reason of his use and operation of one or more prosthetic appliances; and

Whereas the undue stress and strain incurred in the use of prosthetic appliances becomes progressively more pronounced with advancing age; and

Whereas Congress has enacted legislation requiring the Veterans Administration to conduct a study to determine if there is a causal relationship between amputations and cardiovascular disorders; and

Whereas the Veterans Administration is long overdue in providing the results of this study to the U.S. Congress; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation to authorize a presumption of service connection for cardiovascular conditions incurred by service connected veterans with amputation of one or more extremities.

RESOLUTION No. 307

Whereas Public Law 95–17, The Reorganization Act of 1977, grants the President of the United States the authority to reorganize the Executive Branch of government; and

Whereas the President, as Governor of the state of Georgia, attempted to combine the Georgia State Department of Veterans Services with a Human Resources Agency; and

Whereas the DAV has historically opposed the splintering of veterans programs into other federal departments and agencies; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, goes on record opposing any proposed federal reorganization or other plan which would abolish all or part of the functions of the Veterans Administration or its programs; consolidate all or part of the Veterans Administration and its programs with any other agency; change the name of the Veterans Administration; downgrade the title of the Administrator of Veterans Affairs; or in any way demean the integrity of the programs administered by the Veterans Administration.

RESOLUTION No. 053

Whereas current laws now provide a two-year presumptive period for the granting of service connection for psychosis for hospitalization and outpatient treatment only; and

Whereas no disability compensation is payable in these cases; and

Whereas other laws providing for service connection on a presumptive basis grant compensation for the disability; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would permit payment of VA compensation of veterans of World War II, the Korean Conflict and the Vietnam Era who developed an active psychosis within two years after discharge from active duty.

Resolution No. 330

Whereas decisions of the Veterans Administration are final; and

Whereas no other official or court of the United States has the power or jurisdiction to review VA decisions; and

Whereas the scope of Board of Veterans Appeals decisions cannot exceed the regulations promulgated by the Veterans Administration; and

Whereas in certain instances veterans should have the right to challenge a VA decision; and

Whereas all other federal agencies are subject to judicial review as outlined in Chapter 7 of Title V, U.S. Code, Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That a Court of Justice, composed of impartial civilian personnel, not affiliated with the Veterans Administration, the military or General Accounting Office, be established; and be it further

Resolved, That this body is to have final jurisdiction in cases which have been denied by the currently existing Board of Veterans Appeals.

Resolution No. 335

Whereas legislation presently pending in the Congress would remove current attorney fee restrictions for VA benefit representation; and

Whereas such a removal would open up a lucrative multi-million dollar "bonanza" for attorneys, funneling compensation dollars out of the pockets of disabled veterans and into the pockets of attorneys as has been the case in Social Security and black lung claims; and

Whereas presently veterans and their families receive high quality free VA representation through the service programs of the various veterans organizations; and

Whereas insofar as the DAV is concerned, our NSOs provide higher quality representation than private attorneys, to wit:

1. In Fiscal Year 1976, before the Board of Veterans Appeals, the DAV presented 8,093 claims (28.4 percent of all BVA claims) and had a favorable decision rate of 12.6 percent.
2. In the same Fiscal Year, private attorneys represented 666 claims and had a favorable decision rate of 13.5 percent; and

Whereas even this data does not adequately reflect the superior quality of DAV representation since DAV NSOs are required to initiate appellate action whenever requested to do so by the veteran, and private attorneys "pick and choose" accepting only those cases where they feel there is a probability of securing a favorable decision; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, opposes any legislation which would remove or modify the present statutory attorney fee restrictions for VA representation.

Resolution No. 091

Whereas Title 38, U.S. Code, Section 722, provides service connected disabled veterans one year from the date that service connection for disability is initially established by the VA in which to apply for NSLI; and

Whereas many young veterans are solicited by private insurance companies immediately following their discharge from service, which has often caused confusion for such veterans when evaluating their need for life insurance; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Section 722, Title 38, U.S. Code, be amended to extend from one to two years the period in which service connected disabled veterans may apply for National Service Life Insurance.

Resolution No. 218

Whereas certain veterans are eligible for National Service Life Insurance under Title 38, U.S. Code, Section 722; and

Whereas inflation has rapidly increased since NSLI was set at a maximum of $10,000; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Title 38, U.S. Code, be amended to increase the face value of National Service Life Insurance to $20,000.

Resolution No. 140

Whereas VA Mortgage Protection Life Insurance is presently available to veterans entitled to the special adapted housing assistance under Title 38, U.S. Code; and

Whereas service connected disabled veterans are denied or required to pay a higher premium for Mortgage Protection Life Insurance through commercial insurance companies due to their service connected disabilities; and

Whereas their widows and dependents must bear an undue hardship upon the death of such veterans; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would extend VA Mortgage Protection Life Insurance to service connected disabled veterans who, because of their service connected disabilities, cannot obtain such commercial mortgage insurance.

Resolution No. 162

Whereas many veterans have suffered the service connected loss or loss of use of one foot or one hand; and

Whereas many of these veterans also have a non-service connected amputation or loss or use of the paired extremity resulting in total disability; and

Whereas the paired organ principle should apply with equal force to veterans who suffer such extremity loss or loss of use of; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted amending Section 360, Title 38, U.S. Code, to include those service connected veterans who have the loss or loss of use of one extremity and who subsequently incur the non-service connected loss or loss of use of the paired extremity.

Resolution No. 350

Whereas the so-called "Agent Orange" is a chemical used in Vietnam as a defoliant; and

Whereas the Environmental Protection Agency reports that low level exposure to chemicals found in "Agent Orange" can produce tumors in certain species; and

Whereas many veterans who were exposed to such chemical defoliants are now suffering a high incidence of cancer and related diseases; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation mandating the VA to conduct a study of the impairments caused by the use of chemical defoliants.

Resolution No. 351

Whereas a number of radiation related disability cases have been brought to the attention of the Disabled American Veterans; and

Whereas it has been demonstrated that frequent over-exposure to radiation can cause cancer and related diseases; and

Whereas many veterans, long after their exposure to radiation, are now developing similar conditions; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would require the Veterans Administration to conduct a study to determine the long-term effects of radiation exposure.

Resolution No. 164

Whereas Chapter 35, Title 38, U.S. Code, extends educational assistance to the dependents of service connected veterans who are evaluated as permanently and totally disabled; and

Whereas many seriously disabled service connected veterans are unable to provide their children with a college education because of the reduced earning ability of such veteran; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would extend the educational assistance provided under Chapter 35, Title 38, U.S. Code, on a pro rata basis to the dependents of veterans who have a service connected disability rating of 50 per cent or more.

Resolution No. 194

Whereas rates for Dependency and Indemnity Compensation for widows are based on a deceased veteran's pay grade while on active military duty; and

Whereas increases in the cost of living have a greater impact on DIC widows of veterans whose pay grades were E–1; and

Whereas cost of living adjustments in DIC payments provide higher increases in benefits for widows of veterans whose pay grades were 0–10; and

Whereas payments based on military pay grades inherently create inequities between those at the top of the scale and those at the bottom; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, goes on record in support of legislation which would require all Dependency and Indemnity Compensation payments to be made at one standard rate.

Resolution No. 273

Whereas millions of dollars have been spent on cancer research without discovery of its etiology or cure; and

Whereas there is still very little known as to how long a cancer cell will take to develop to the point of presenting symptoms or medical findings recognizable for diagnostic purposes; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to provide for a three-year presumptive period of service connection of all types of carcinoma.

Resolution No. 220

Whereas the military retirement system provides death benefits for widows and dependents under the Survivors Benefits Plan; and

Whereas payments made under the Survivors Benefits Plan are based on contributions made by military retirees; and

Whereas VA death benefits are based on wartime service or death as a result of a service connected disability; and

Whereas entitlement to VA death benefits and payments from the Survivors Benefits Plan are based on entirely unrelated criteria; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would permit concurrent receipt of payments under the Survivors Benefits Plan and VA death benefits without reduction from either.

Resolution No. 203

Whereas current law authorizes an additional payment of $56 monthly for the loss or loss of use of a hand, a foot or both buttocks, or blindness in one eye, complete loss of speech or deafness in both ears; and

Whereas sustaining the loss of a kidney imposes additional stress and strain on other bodily organs with residual impairment; Now, therfore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, petition the Congress to amend Section 314(k) of Title 38, U.S. Code to provide entitlement to the statutory award of any veteran who has sustained the service connected loss or loss of use of a kidney.

Resolution No. 232

Whereas many veterans of the Armed Forces suffer heart disease which results in a service connected disability rating of 100 per cent; and

Whereas many service connected disabled veterans who suffer heart disease required open heart surgery and/or permanent implantation of a pacemaker; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would provide a statutory (k) award for veterans who suffer service connected heart conditions which require valve replacement and the implantation of a pacemaker.

Resolution No. 233

Whereas the amount of compensation for veterans who have a service connected disability resulting in the loss or loss of use of three extremities does not adequately reflect the severity of this impairment; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That Section 314 (o) of Title 38, U.S. Code, be amended to include those veterans who have a service connected disease or injury resulting in the loss or loss of use of three extremities.

Resolution No. 290

Whereas Section 301, Title 38, U.S. Code, includes epilepsy as a chronic disease; and

Whereas Section 321, Title 38, U.S. Code, provides any veteran who served for 90 days or more during a period of war a one-year presumption of service connection for those chronic diseases listed in Section 301 which become manifest to a degree of 10 per cent or more disabling; and

Whereas the early manifestations of epileptic disorders are often not of a nature which would allow for an accurate diagnosis; and

Whereas there are many veterans who have demonstrated the symptoms of epilepsy for several years prior to experiencing any epileptic seizure; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That legislation be enacted to extend the presumptive period for service connection of epilepsy to three years after discharge form active wartime military service.

Resolution No. 342

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That the criteria for the eligibility and extent of federal veterans benefits and services shall be the same for veterans residing in the Commonwealths, Territories and possessions of the United States as it is for veterans residing within the 50 United States; and be it further

Resolved, That the geograhic location of veterans, that is, their place of residence, shall not be a factor in determining the eligibility and extent of federal veterans benefits that are based upon the incurrence of a service connected wound, injury, disease or death.

RESOLUTION No. 349

Whereas many service connected veterans do not have sufficeint medical insurance for their dependents; and

Whereas many seriously disabled veterans are unable to defray the expense of purchasing commercial health insurance; and

Whereas special recognition should be given to the sacrifices made by the dependents of those most severely disabled while in the service of their country; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of legislation which would amend Section 613 of title 38, U.S. Code, to provide CHAMPVA coverage for dependents of service connected veterans rated 80 per cent or more disabled.

RESOLUTION No. 322

Whereas service connected veterans who suffer the loss or loss of use of both hands require special features in their homes; and

Whereas the cost of such equipment, made necessary because of their severe, service connected disability, must be incurred by the disabled veteran; and

Whereas such service connected veterans who have incurred the loss or loss of use of both hands do not now qualify for the Specially Adapted Housing Program administered by the Veterans Administration; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of legislation to provide a special housing grant to those veterans who are service connected for the loss or loss of use of both hands.

RESOLUTION No. 325

Whereas eligible persons under Chapter 35, Title 38, U.S. Code, currently have ten years from the date establishing a permanent and total rating to apply for and complete 45 months of educational assistance; and

Whereas many veterans marry subsequent to the evaluation establishing eligibility under Chapter 35 benefits; and

Whereas an eligible spouse of these disabled veterans has less than ten years to apply for and complete the 45 months of educational assistance; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That legislation be enacted amending Chapter 35, Title 38, U.S. Code, to extend War Orphans' and Widows' Educational Assistance to an eligible spouse within ten years of the date of marriage.

RESOLUTION No. 321

Whereas a service connected veteran and his family come under extreme financial hardship when he enters a VA hospital for an extended period of treatment for his service connected disabilities; and

Whereas many overpayments occur on the veterans compensation payments after his release from the VA hospital due to the lack of prompt notification to the VA Regional Office of the veteran's discharge from the hospital; and

Whereas the delay in starting payment and the collection of overpayment when this occurs adds to the burden of the veteran and his family; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, request action to establish controls to ensure notification by VA hospitals of the veteran's hospitalization and/or surgery to the VA Regional Office within five working days, and the start or stop action be completed by the VA Regional Office within 15 working days after receipt of notice from the VA hospital; and be it further

Resolved, That if an overpayment is caused by untimely processing, it is to be considered waived unless fraud is evident.

Resolution No. 214

Whereas Title 38, U.S. Code, Section 3012, sets forth the requirements for an effective date when a reduction in benefits is to be made to a claimant; and

Whereas currently, reduction in benefits is effective the last day of the month following 60 days from the date of notice to the payee; and

Whereas such reductions in the VA benefits often cause a hardship until the veteran can adjust his standard of living; and

Whereas these veterans need a longer period of time in which to adjust to a reduction in their benefits; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Title 38, U.S. Code, be amended to provide that any reduction in service connected benefits shall be the last day of the month following 120 days from the date of notice to the payee.

Resolution No. 183

Whereas veterans who are hospitalized in a VA medical facility for a service-connected disability and who remain so hospitalized for a period of 21 consecutive days are entitled to the temporary 100 per cent rate (Paragraph 29 Benefits) for each day of hospitalization in excess of the 21 days; and

Whereas many veterans are discharged from a VA hospital on the 19th or 20th day of their hospitalization, thus losing the possibility of gaining entitlement to Paragraph 29 Benefits; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, support a regulation change (in the VA Rating Schedule for Disabilities) which would authorize Paragraph 29 Benefits to veterans commencing on the day following their 15th day of VA hospitalization for a service-connected disability.

Resolution No. 160

Whereas many veterans who have service connected skin conditions which soil and stain their clothing beyond repair are not entitled to the annual VA clothing allowance; and

Whereas veterans with serious disabilities have incurred expenses in replacing the items of clothing ruined because of their service connected skin conditions; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That Section 362, Title 38 U.S. Code, be amended to include those veterans with serious service connected skin disorders which cause their clothing to be soiled and ruined.

Resolution No. 152

Whereas certain service connected disabled veterans are eytitled to citizens band radios in their motor vehicles as "adaptive equipment" under the VA's automobile and adaptive equipment award; and

Whereas it would be beneficial to the safety of all disabled veterans if they were able to have citizens band radios in their motor vehicles; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at Say Francisco, California, August 13–17, 1978, go on record supporting a change in present regulations which would liberalize the current policy of extending citizens band radios to disabled veterans as motor vehicle adaptive equipment.

Resolution No. 99

Whereas Veterans Administration regulations provide the a total disability rating for compensation purposes may be established when the schedular evaluation is less than total if such a veteran is unable to sustain substantial gainful employment as a result of his service connected disability; and

Whereas such a total evaluation may be established if such a veteran suffers a service connected disability rated at 60 per cent or more; or has sustained two or more service-connected disabilities, one of which must be evaluated at 40 per cent or more disabling with sufficient additional diability to establish a combined rating of 70 per cent or more; and

Whereas there are many service connected disabled veterans who have only one disability rated at 50 per cent disabling who are unable to gain employment because of their service connected disability; and

Whereas other service connected disabled veterans who have one disability rated at 40 per cent with additional disability combining to 60 per cent are also unable to find gainful employment because of their advancing age and chronic diabilities; Now, therefore, be it

Whereas other service connected disabled veterans who have one disability rated at 40 per cent with additional disability combining to 60 per cent are also unable to find gainful employment because of their advancing age and chronic disabilities; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, That Section 355 of Title 38, U.S. Code, be amended to provide entitlement to a total disability rating by reason of individual unemployability for service connected disabled veterans who suffer one disability evaluated at 50 per cent or two or more service connected disabilities, one of which is rated at least 40 per cent with other sufficient disabilities combining to at least 60 per cent, and who are unable to sustain substantial gainful employment because of such service connected disabilities; and be it further

Resolved, That Section 355, Title 38, U.S. Code, be further amended to consider age as a determining factor in service connected disability ratings.

RESOLUTION NO. 81

Whereas the Veterans Administration provides a marker for the grave of a veteran interred in a National Cemetery but such marker does not contain any means for attaching or displaying the American Flag; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, petition the Director, Chief Memorial Affairs, Veterans Administration, to provide the necessary adapting device to gravesite markers for display of the American Flag.

RESOLUTION NO. 94

Whereas service officers stationed at Veterans Administration hospitals were previously issued a nine-line admission card; and

Whereas the nine-line card was very beneficial to assisting the Disabled American Veterans service officers in opening new claims and reopening claims; and

Whereas the Veterans Administration hospitals then started using the five-line card which cut out information that was beneficial to the service officers; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, goes on record requesting Veterans Administration hospitals to revert back to the nine-line card as a means of better service to disabled veterans and their dependents.

National Commander MEADOWS. I will recognize the chairman of the Constitution and Bylaws Committee, Chuck Vincent, for his report.

Mr. CHARLES D. VINCENT. Comrade Commander, delegates, this is the second report of the Convention Committee on Constitution and Bylaws. The membership of this committee was read yesterday, and will not be repeated at this time. The committee considered 19 resolutions and recommended approval of four and rejected 15.

Copies of the resolutions recommended for approval have been distributed to you. We will read only the resolved sections of the resolution and then make a motion to adopt each resolution individually.

Resolution Number 343, proposed amendments to the National Bylaws. Resolution 343: Article VII, Section 7.2.

Paragraph 1. The national commander, by and with the consent of the National Executive Committee, shall appoint a national adjutant and a national director of services.

Paragraph 2. The national commander shall appoint an officer of the day and a sergeant at arms who shall be chosen from the city in which the next national convention is to be held.

Paragraph 3. The national commander may appoint a national chief of staff, deputy chiefs of staff and aides as he may deem appropriate and notify the respective departments of such appointments.

Article VII, Section 7.4:

Paragraph 1, the same; Paragraph 2, the same.

Paragraph 3. The national adjutant, by and with the consent of the national commander and the National Executive Committee, shall appoint an assistant national adjutant for charitable contributions, and such other assistant national adjutants as may be deemed necessary to conduct the affairs of his office. He shall determine the salary of such persons, by and with the consent of the National Finance Committee.

Article VII, Section 7.7:

Paragraph 1. The national director of services, by and with the consent of the national commander, shall appoint a national service director, a national legislative director, and a national employment director and such other employees as may be deemed necessary to conduct the affairs of his office, and with the consent of the National Finance Committee, determine, their salaries.

Paragraph 2. The national director of services, subject to the instructions of the national commander, the national adjutant, the National Executive Committee or the national convention, shall direct and supervise the following activities:

(a) He shall direct the national service officers, the national service officer trainees, any training program relating to national service officers and all other service activities of the national organization.

(b) He shall direct and supervise all federal legislative activities of this organization, and all legislative matters for the consideration of state and territorial legislatures. This includes those mandates contained in resolutions adopted by the national convention or by the National Executive Committee in the absence of national convention action.

(c) He shall be the manager of the Washington Office and shall be charged with the proper maintenance of the building.

(d) He shall prepare an annual budget covering all activities under his direction which shall be presented to the National Finance Committee for its consideration.

Article VII, Section 7.8:

Paragraph 1. The national commander shall delegate to the national director of services the authority to appoint such national service officers as are found necessary. Their salaries shall be set forth as an item of the budget.

Paragraph 2. The term of employment of a national service officer shall not commence until he is certified by the Veterans Administration and shall continue only so long as such certification is in effect.

Paragraph 3. No national service officer shall be removed, discharged, or transferred except for cause, after reasonable notice specifying the reasons therefor: *Provided, however*, That, if applicable, the provisions of Article XII or Article XVI shall govern.

Article VII, Sections 7.11, 7.12 and 7.13: **Renumber to 7.9, 7.10,** and 7.11, respectively.

Article XII, Section 12.2:

Paragraph 1. The national adjutant, an assistant national adjutant or the national director of services may suspend with pay any such employee (the "accused"), who is under his supervision, upon giving the accused a written notice of suspension, stating the grounds therefor. Unless, within 31 days thereafter, the accused gives written demand to the national adjutant for a hearing before a Trial Board, as herein provided, he may be discharged without further notice, which discharge shall be final for all purposes.

Article XII, Section 12.5:

Paragraph 1. The salary of the national adjutant and the national director of services shall be determined by the National Finance Committee with the approval of the National Executive Committee.

Article XIV, Section 14.2:

Paragraph 2. Subject to the approval of the National Executive Committee, the National Finance Committee may transfer and authorize expenditures from items within the approved budget for the purposes approved by said budget as the need may justify, provided that the budget for service and legislation shall not be reduced by any such transfer.

Article XIV, Section 14.11:

Paragraph 1. The national organization shall pay travel and per diem expenses to national officers whose duties require their attendance at official meetings of the organization or in the conduct of official business of the organization as may be authorized by the national commander or the national adjutant.

Paragraph 2. The national organization shall pay the actual expenses, limited to transportation, hotel rooms, meals, and other essential items, to employees required to travel on official business for the organization upon prior approval of the national adjutant.

Resolved, That the provisions of any other sections of these Bylaws notwithstanding are hereby amended to conform to these modifications.

Comrade Commander, I move for the adoption of Resolution 343, which was approved unanimously by the committee.

National Commander Meadows. Do I hear a second? Mike 1.

Mr. Joseph R. Harold. Harold, Boston 10, seconds the motion to accept.

National Commander Meadows. We have a motion and a second to accept Resolution Number 343. Those in favor, signify by saying Aye; those opposed. The motion is carried, Mr. Chairman.

Mr. Vincent. Thank you, Comrade Commander. Resolution 344, to amend the Bylaws:

Resolved, That Article XI, Section 11.8, paragraph 4(a) be deleted and that paragraph 4(b) be renumbered Paragraph 4; and be it further

Resolved, That Article XI, Section 11.8, Paragraph 5(a) be amended by deleting the words "on July 1, 1975" on the last line of the paragraph.

Commrade Commander, I move the adoption of Resolution Number 344.

National Commander Meadows. Do I hear a second? Mike I.

Mr. Harold. Harold, Boston 10, a member of the Interim Bylaws Committee, seconds the motion.

National Commander Meadows. We have a motion and a second for the adoption of Resolution Number 344. All those in favor, indicate by saying Aye; those opposed, No. The motion is carried, Mr. Chairman.

Mr. Vincent. Resolution 345, to amend the Bylaws.

Resolved, That Article VII, Section 7.13, be amended to read as follows: "The national commander, within 60 days after his election, shall appoint an Interim Constitution and Bylaws Committee, a Membership and Volunteer Services Committee, a Legislation Committee, and an Employment Committee. The members of such committees shall serve without compensation."

Comrade Commander, I move the adoption of Resolution Number 345.

National Commander Meadows. Mike Number 1.

Mr. Harold. Harold, Boston 10, seconds the motion.

Mr. Cecil W. Disney. Question on the motion, Commander.

National Commander Meadows. Are you asking for recognition to discuss the motion?

Mr. Disney. Yes, I would like to make a comment. Cecil Disney, Martinsville 34 the great hospitality State of Indiana. On the vote of this motion in the committee, there was a misunderstanding on the vote, and I feel that the Hospital Services Committee that was taken out should remain in there.

If it is not allowed for discussion on the floor at this time, I would like to go on record that the new national commander consider it a special appointment to have this interim committee. Thank you.

Mr. Frank Calderala. Comrade Commander.

National Commander Meadows. Mike 1.

Mr. Calderala. Frank Calderala, Chapter 42, Illinois. I move to amend Resolution Number 345 to include the National Hospital and Medical Services Committee.

National Commander Meadows. Mike 1.

Mr. Harold. Harold, Boston 10, seconds that motion.

National Commander Meadows. We have an amendment to Resolution Number 345 to the effect that the resolution be amended to include a committee known as the National Hospital and Medical Services Committee. The motion has been made and seconded. Is there discussion? All those in favor of the motion, indicate by saying Aye; those opposed. Then we have amended Resolution Number 345 to include the National Hospital and Medical Services Committee.

Now we have the motion for the adoption of Resolution Number 345 and duly seconded. I will call for a vote on that motion. All those in favor, indicate by saying Aye; opposed, No. The Ayes have it, and the motion is carried, Mr. Chairman.

Mr. Vincent. Thank you, Comarde Commander. Resolution Number 346, resolution to amend the Bylaws:

> *Resolved,* That Article III, Section 3.5, be amended to read as follows: "The registration fee at national conventions shall be $10 for each delegate, alternate and visitor; and no person otherwise eligible shall be entitled to vote until he has registered and paid such fee."

Comrade Commander, I move for the adoption of Resolution Number 346.

Mr. Fred Metz. Fred Metz, Chapter 13, California. I second that, Comrade Commander.

[Cries of "No."]

National Commander Meadows. Mike 1. I recognize mike 1.

Mr. Tillman. James Edgar Tillman, Jr. of the Blind Chapter. I would like to ask is there any reason why the fee has to go up to $10 when we just got through on the floor discussing that IRS is looking down our throats. What are we doing with our money? I have made my point, and that is all I have got to say. [Applause.]

National Commander Meadows. Mr. Chairman.

Mr. Vincent. My comrades, if I may answer that comrade over there. We in the Committee on the Constitution and Bylaws had a lengthy discussion on the increase of the registration fee. My comrades, we have not had an increase in our registration fee in the last 20, 22 years.

Now listen, wait a minute; hear me out first. You know that $5 doesn't go very far today with the inflation rate that has been going on. We in the committee felt that it was proper to increase our registration fee to $10, and I do also, my comrades, and I hope you follow that, too.

It is necessary to continue with the continuity of this great organization and have the many benefits that we all enjoy here at our national conventions. Thank you, Mr. Commander.

National Commander **Meadows**. Mike 3.

Mr. **Jackson**. P. D. Jackson, Buddy's Chapter Number 11.

National Commander **Meadows**. I recognize Nike 3.

Mr. **Jackson**. Our registration fee in 1954 was $3. A little bit later on it was necessary to raise it to five. Those of us delegates here that smoke, only to save one carton of cigarettes in a year will pay the extra $5. Just like our chairman said, that the inflation and the economic conditions now, this convention is able to register at the lousy little sum of $10, so let's raise it and carry out the wishes of the convention committees here that went over this very thoroughly.

They are not the employees, paid employees, because they are delegates here, and therefore let's honor those men and wake up and do the job of the various convention committees. I heartily am in favor of the raising of $10. [Applause.]

National Commander **Meadows**. I recognize Mary Howard.

Ms. **Mary B. Howard**. National Commander, delegates, Mary Howard, District 5, Chapter 10, Georgia. I served on the Constitution and Bylaws Committee, and when it was presented to us, this resolution on changing the $5 to $10, we had a staff member in there on the committee who explained to us that this reception that you attended—was it Sunday night, the National Commander's Reception alone cost $39,000.

Believe me, your delegates' dues do not cover that, so in order for us to continue to have these——

National Commander **Meadows**. Will you accord the delegates your attention, please.

Ms. **Howard** [continuing]. Nice receptions and all, we then voted in favor of the $10 registration fee.

National Commander **Meadows**. Mike 3.

Mr. **Jackson**. Jackson, Chapter 30, Louisiana. I come to this hotel and sleeping on a couch for their rates. That is nice. I don't believe that we can come in here and keep going every year to ask more, let's go up, let's go up. This is the second time we have come to the West Coast from the South and East.

It costs us enough money to get here, and I don't feel that it is right that you come in here and ask us to give more. We have already given more than we need to. Let's either move the convention back to the other side of the States and give us a chance to come and let us ask for money over there. This is all I have got to say about it. [Applause.]

National Commander **Meadows**. Mike 1.

Mr. **Bruce Pettijohn**. Comrade Commander, Bruce Pettijohn, Albany 10, New York. Comrade Commander, I served from the 2nd District on the Constitution and Bylaws Committee. I went into that committee meeting personally opposed to this dues increase, and I think most of us on the committee did, too.

We discussed it very thoroughly for a half an hour, all merits of it. I can assure you none of us on the committee, including our chairman, was happy about the recommendation. But, comrades, I will put it simply. None of us can fight inflation. You get what you pay for.

It is up to you if you want it. And if you don't go along with it, you will just have a lesser convention next year. It is up to you.

National Commander MEADOWS. Mike 3.

Mr. WILLIAM J. BYRD. William J. Byrd, delegate, St. Louis Number 1. I believe all that National has done for us in these past years in the form of entertainment and everything, the cost of it has become too high for them to continue the registration fee. I support the $10 increase, the $5 increase. [Applause.]

National Commander MEADOWS. We have a motion before us on the adoption of the resolution. The motion is duly seconded for the adoption of Resolution Number 346. All those in favor, signify by saying Aye; those opposed, No. The motion is carried. [Applause.]

Mr. VINCENT. Comrade Commander and delegates——

National Commander MEADOWS. May I have your attention, please.

Mr. VINCENT. Comrade Commander and delegates, this concludes the report of the National Convention Committee on Constitution and Bylaws. Appreciation is extended to the committee advisers, William G. Dwyer and Thomas G. Dehne, as well as to all members of the Convention Bylaws Committee.

I would like to have the committee to please stand. If any of the committeemen are present, please stand. [Applause.] Thank you for that applause. Mr. Commander, I am now happy to move at this time a motion to discharge the committee, Convention Committee on Constitution and Bylaws, with a vote of thanks from this convention to the committee.

National Commander MEADOWS. Mike 1.

NEC First District WALTER F. MORGAN. Second the motion.

National Commander MEADOWS. We have a motion before us to discharge with thanks the Constitution and Bylaws Committee. All in favor, say Aye: all opposed. The Ayes have it. [Laughter and applause.]

I will now recognize the chairman of the Time and Place Committee, Frank C. Wood.

Mr. FRANK C. WOOD. Comrade Commander——

National Commander MEADOWS. Would you give your attention, please, to the chairman of the Time and Place Committee. Mr. Chairman.

Mr. WOOD. Delegates to this convention, the Time and Place Committee met yesterday morning at 10 a.m. in the Walnut Room of this hotel for the purpose of considering bids submitted to it from various cities throughout the nation for the purpose of establishing a national convention site for the year 1980.

The meeting of the committee reconvened at 10 a.m. because of the fact that there was a delay in obtaining the necessary quorum, and the adviser to the committee was unable to be present until that time. Upon convening of the meeting, Frank C. Wood was selected the chairman of the committee to serve as chairman. George Lynch was elected to serve as secretary of the committee. Comrade George Lynch is a past department commander of Massachusetts and a member of Chapter Number 1, Department of Massachusetts.

The attendance of the roll call was made by the secretary and the following districts were present: District 1, George Lynch; District 2, Louis Sasso; District 3, Jack Tedrow; District 4, Vincent Aponte;

District 5, Billy Nix; District 6, Charles Huber; District 7, Frank Wood; District 8, John Hannan; District 9, John Vulcano; District 11. Edward Shockey; District 12, George Taketa; District 13, Don Barnes; District 14, Jim Bigger; and the Blind Veterans Chapter was represented by Joseph Schlichtig. A total of 14 delegates therefore answered the call, and the various alternates were also present.

The chair continued with the business at hand and read Resolution 235 from the City of Chicago. This resolution or this communication rather, communicated a bid for the year 1982. Since this was concerned with a future national convention, a motion was made that this be accepted by the committee and referred to the next national convention.

A motion was called for by the Chair, and the vote was in the affirmative.

The Chair then recognized from the 10th District, Robert Quigley, who made a brief presentation on behalf of the City of Sioux Falls, South Dakota. A request on behalf of the Diplomat Hotel Florida, was discussed briefly and Delegate Billy Nix made a motion that this matter be placed on file; seconded by Delegate Lynch District Number 1, and so ordered.

On the bid from the City of Cincinnati after discussion by members, a motion to reject was also in order and it was made and the vote was carried. A bid from the City of Philadelphia was enclosed. The brochure and correspondence was discussed by the committee and the materials submitted by the Convention Bureau were reviewed.

Delegate Jack Tedrow of District 3 spoke and extended additional information hotel reservations and accommodations, et cetera. The Chair then permitted Alternate Delegate Irving Meadow to present his thoughts on this matter. The alternate from the 4th District, Ruth Pierre, Tomme Ruth Pierre, then spoke with the permission of the Chair and had additional information on Philadelphia from a recent convention that she recently attended there.

No further discussion on the matter was had, and the matter was placed on file. Material was also submitted—rather, material was also submitted on a bid from San Diego, and the delegate and alternate to the Time and Place Committee said they knew nothing about this material having been presented or authorized by the 12th District.

This matter was therefore, on a motion by the 12th District, placed on file.

The delegate from the 5th District, recognized by the Chair, extended his remarks as to why he felt in favor of Atlanta, Georgia, based on the additional information given to this committee by the adviser. Upon completion of this discussion with Georgia, Delegate Vincent Aponte made a motion that the Department of Georgia submit a formal bid for the national convention in 1981 and seconded by the Blind Veteran Delegate Joe Schlichtig, and the motion carried.

Then the minutes of the Time and Place Committee be submitted—that the minutes of the National Finance Committee be submitted to the next National Convention Time and Place for their guidance and be read at the same time by the said Time and Place Committee.

The amendment was offered by Delegate Vincent Aponte that all members of this committee receive copies of the final report. The Committee then on Time and Place then submitted or rather took up the four bids for vote, these being Sioux Falls, South Dakota; Atlanta, Georgia; Philadelphia, Pennsylvania; and New Orleans, Louisiana.

The roll call was had, after considerable discussion, and a voice vote resulted in the final tally: Atlanta, 11 votes; Philadelphia, 3 votes; Sioux Falls, 1 vote; New Orleans did not receive a vote. (Applause). Total votes cast were 15. Atlanta, Georgia, is recommended by the Time and Place Committee for the 1981 national convention.

A motion to recess at the call of the Chair was made by Delegate Aponte at 12:05 p.m.; seconded by Blind Veteran Delegate Schlichtig. The committee was then declared in recess.

Comrade Commander, this completes the reading of the report of the Time and Place Committee, and I move you that the report be adopted as submitted.

National Commander MEADOWS. We have a motion for the adoption of the report of the Time and Place Committee. Is there a second?

Mr. EARL BOWERS. Mr. Chairman, Mike 3. Earl Bowers, commander, Chapter 1, Phoenix, Arizona. Prior to seconding that motion, I would like to ask the question of the chairman, and make a brief comment, if I may.

National Commander MEADOWS. Go right ahead.

Mr. BOWERS. First I would like to ask the chairman if there is anyone on that committee who is in a wheelchair or who has extreme damage to their lower extremities and walk with the aid of crutches?

Mr. WOOD. Through the Chair, I can answer, Comrade, by saying that this matter was discussed very carefully and went into at considerable depth as to the need for consideration given to wheelchair patients.

Mr. BOWERS. Is there anyone on that committee in that capacity, that is in a wheelchair or has damage to their lower extremities?

[Cry of "Yes."]

Mr. WOOD. I believe there was.

Mr. BOWERS. Okay. There are many people who are in wheelchairs that are having problems in this hotel. I have heard of many of them, and I imagine that a lot of the national officers have heard the same thing. I think it is absolutely ridiculous that we set up a committee, and we can't in some way have someone in a wheelchair to sit on that committee, that has been in that chair for some time, to go through all of the ramifications of how difficult it is for anyone to get around the convention hotel.

The second comment I would like to make as far as this hotel is concerned, I made my reservations six months in advance. I walked in the door—it was confirmed last March sometime. I walked in the door and I paid them $52 a night, and they offered me two lousy fold-up beds for 52 bucks a night, and this is ridiculous. [Applause.]

It isn't bad enough that we have to pay $52 a night, but they are picking our pockets when we try to eat. The lady at the desk, when I checked in, told me, she says, "Anything you do in the hotel, I don't care what it is, we are going to bill you for it."

I hope in the future that our selection committees will at least consider the possibility that all of the Disabled American Veterans are living on fixed incomes, and they are limited. We are in Frisco this year; we were in Vegas last year. We had Miami the previous year, and we had Hawaii the year before.

Next year we have Boston. The following year we have Hawaii. We have a lot of people living right up through the Central United States that are good Disabled American Veterans who live on fixed incomes. They would like to go to these conventions. They would like to be delegates.

There is no way they can do it, because they are on fixed incomes because we are setting conventions East or West Coast all the time. I think, and I am going to make a recommendation that the future selection committees every other year alternate and go right down the center of the United States so other people can go out and be delegates to the convention.

They would like to go out and cast a vote, and they just can't afford it. [Applause] And, following those comments, Comrade Chairman, I would like to second that motion.

National Commander Meadows. We have a motion and a second for the adoption of the report of the Time and Place Committee. All those in favor, indicate by saying Aye; those opposed. The Ayes have it, and the motion is carried.

I will entertain a motion to discharge with thanks the Time and Place Committee.

Mr. Salter. Comrade Commander.

National Commander Meadows. Mike 1.

Mr. Salter. A point of privilege. I would like to commend the gentleman who just made that statement. My name is Salter from Chapter 2, Newport News, Virginia. [Applause.]

Mr. Joseph R. Harold. Harold, Boston 10. I move that we dismiss the committee with thanks. And if I can make a comment here, I would say—I don't know where the previous speaker came from, but the national organization is promulgating bids from various cities throughout the central part of the United States, and I am sure if the delegates go back home, and they submit bids, and the bids are within form and are acceptable, that we will be going to the mid-section of the United States.

The national organization and the Convention Committee cannot accept a bid unless it is submitted, and if you don't submit a bid from your city, we can't go there, So all we are asking is that you go back and get a good convention site like Boston, which you are going to have next year.

When we were at the hotel in Boston, we told them exactly what this man has just said previously, that these delegates go to these conventions, and 99 percent of them pay their own money, and we were able to convince them to give us at least favorable rates of $40.

They had wanted to give us $46 and $50 rates, and we argued with them, and we did get the $40 rates, If you have any problems next year, blame me. [Applause.]

National Commander Meadows. Mike 1.

Member. Mr. Commander, may I ask Comrade Harold a question?

National Commander Meadows. Yes.

Member. Will he guarantee us if we have a confirmed reservation for a bedroom, we will get a bedroom and not a sofa bed that you can't sleep on? [Laughter.]

National Commander Meadows. I am not too sure of Comrade Harold's qualifications as a room clerk, but do you [laughter).

Member. They say, "Well, you can have that sofa bed." And we say, "I've got a confirmed reservation," and they say, "Well, that is not worth the paper it is written on. Take it or leave it." This is not the way to treat a veteran or anybody.

National Commander Meadows. All levity aside, you have a very good poiut. It is the point of view of the national staff to negotiate and enforce the best contract that they can enforce with these hotels, and I hope that our national organization will take that very seriously.

Mr. Harold. Harold, Boston 10, again, If you notice on the reservation form you got, we are asking that you submit one day deposit. What happens here when people make reservations, they reserve two or three rooms, and all of a sudden at the last minute they don't want a room. In the meantime in May the hotel is closed up because they have enough reservations.

You have got to submit one day deposit for your room, and you get a guaranteed reservation.

Mr. Robert Quigley. Mr. Commander, mike Number 3.

National Commander Meadows. Mike 3.

Mr. Quigley. Bob Quigley from Sioux Falls, South Dakota, representing District 10. I heard the comrade just a few minutes ago talking about the high prices and getting his pockets picked. If you come to South Dakota—consider it; I put in a bid for it—but you come to South Dakota and you will be surprised.

You won't get your pockets picked, and you won't get robbed at the hotel desk. I can guarantee you that. You know that; you have been there. [Applause.]

National Commander Meadows. I did go to South Dakota to attend the department convention in South Dakota, and I attest to the delegate's statement. It is a lovely place, and the treatment was superb.

Mr. Quigley. Another thing, we have got the cleanest air you will ever run into. You don't have to breathe the smog you have to breathe out here. And I would like to second the nomination of the Time and Place Committee, that it be accepted.

National Commander Meadows. There is a motion and a second to discharge the Time and Place Committee with thanks. Those in favor will indicate by saying Aye; those opposed. The motion carried. Chairman Wood, we appreciate the efforts of your committee.

Mr. R. G. Patterson. Comrade Commander, mike 3.

National Commander Meadows. Mike 3.

Mr. Patterson. R. G. "Pat" Patterson, Department of Indiana. Some years back in our convention of the National, it was put in the minutes where the national convention hotels would be made to accommodate everyone, heart patients, wheelchair patients, and every Disabled American Veteran that comes to the national convention.

That has not been followed out. And that happened in Michigan, in Detroit, Michigan. And every year this has not beed followed. I think it is high time, and at this time, gentlemen, you said something just a little bit ago, Mr. Joe Harold did, to send them in, send your bids in, and they would be considered.

Indianapolis, Indiana has sent bids in over the years; the last few years we haven't, because they have been turned down ever year. Gentlemen, I right now would like to say that Indianapolis will have a bid in, and we will not have these high prices like you have got right here. Thank you. [Applause.]

Mr. Richard Taylor. Comrade Commander.

National Commander Meadows. Mike 3.

Mr. TAYLOR. Dick Taylor from Las Vegas area. I resent the remark that your prices were high in Nevada. We are holding your money there, and we will give you a chance to get it back. [Laughter.]

National Commander MEADOWS. The Chair would like to observe that it is obvious the sense of the delegates here. Mike 1.

MEMBER. We spoke about the central part of the United States. I don't think you will find anything finer than Cleveland. Ohio. You can get everything you want there. [Cries of "No."]

National Commander MEADOWS. All right, we will now recognize the chairman of the Medical Care Services Committee for his report.

Mr. GORDON ELLIOTT. Comrade Commander. delegates, the National Convention Committee on Medical Care Services was called to order for its first business session on Monday, August 14, 1978 by the committee adviser, Stuart Cody. The first order of business was the election of a convention committee chairman.

Mr. Gordon R. Elliott, 12th District, Department of California, was nominated for chairman. There being no further nominations, nominations were closed, and Mr. Elliott was elected chairman. The next order of business was the nomination and election of secretary. Robert Mussari, District 2, and James Stewart, District 3, were nominated and elected secretaries of the committee.

The committee then proceeded in reviewing resolutions submitted, and I will now report to you on the resolutions recommended for adoption by this national convention. For the purpose of saving time, I will read you only the resolved portions of these resolutions.

Number 19, submitted by the Department of Minnesota in part:

> Be it *Resolved*, That the Disabled American Veterans go on record supporting the enactment of legislation that would entitle former prisoners of war the treatment of any dental condition.

Number 20, submitted by the Department of Minnesota, in part:

> Be it *Resolved*, That the Disabled American Veterans go on record opposing any cutback in the VA medical care budget and to request adequate funds to restore the proposed cuts in the VA budget.

Number 50, submitted by the Department of Montana, in part:

> Be it *Resolved*, That the Disabled American Veterans go on record opposing the absorption of the Veterans Administration hospital system into any national health plan.

Number 52, submitted by the Department of Montana, in part:

> Be it *Resolved*, That the Disabled American Veterans request that the Veterans Administration effect regulations so that all cases rated as service connected will automatically be sent outpatient treatment identification cards at the time of their original rating action.

Number 347, submitted by the Interim National Medical Committee, in part:

> Be it *Resolved*, In section 111 of Title 38, U.S. Code, be amended to provide that VA travel reimbursement for service-connected beneficiaries in connection for all treatment, examinations, appeals, and counseling be at the maximum rate authorized but in no event less than the rate payable to federal employees traveling on official business.

Number 348, submitted by the National Interim Medical Committee, in part:

> Be it *Resolved*, That the DAV seek the enactment of legislation that would mandate the Veterans Administration to conduct a study to determine the long-term physical and mental impairments of former prisoners of war.

Next, 72, submitted by the Veterans of Foreign Wars to the Disabled American Veterans, in part:

Be it *Resolved,* That the DAV support VFW Resolution Number 637 that VA doctors receive identical pay, bonuses, benefits and retirement rights as their military and public health colleagues.

Number 97 submitted by the Department of Michigan, in part:

Be it *Resolved,* That the DAV go on record in support of a study to determine if service-connected veterans are receiving priority treatment at VA hospitals and outpatient facilities.

Number 102, submitted by the Department of California, in part:

Be it *Resolved,* That the DAV go on record in support of legislation to provide at a modest cost housing and assistance to relatives of a terminally ill patient in a VA hospital.

Number 181, submitted by the Department of New York, in part:

Resolved, That the DAV go on record to seek legislation to construct more veterans care centers and other health-related facilities near VA hospitals throughout the nation.

Number 279, submitted by the Department of Texas, in part:

Be it *Resolved,* That the DAV go on record to support the renaming of the VA Hospital in Temple, Texas, to the Olin M. Teague VA Hospital, as a living tribute to a great friend of all veterans.

Number 302, submitted by the Department of Massachusetts, in part:

Be it *Resolved,* That the DAV go on record in support of passage of legislation that will establish realistic funding for medical research.

Number 306, submitted by the Department of Massachusetts, in part:

Be it *Resolved,* That the DAV seek and support legislation that will refund badly needed domiciliary facilities at VA hospitals.

Number 308, submitted by the Department of Massachusetts, in part:

Be it *Resolved,* That the DAV go on record supporting the need for nursing home facilities for all eligible veterans.

Number 310, submitted by the Department of Massachusetts, in part:

Be it *Resolved,* That the DAV support legislation to provide health care services currently afforded to Spanish-American War veterans to all wartime veterans who are 80 years of age or older.

The Interim National Medical Committee Resolutions Numbers 349, 350, and 351 were forwarded to the Interim Committee for Veterans Rights for action.

The Statement of Policy of the Interim National Medical Committee to retain the Interim National Medical Committee was unanimously accepted. The statement was referred to Mr. Andrew Sackela of the Department of Ohio, and chairman of the National Interim Hospital and Medical Services Committee.

Comrades, in summary, of the 39 proposed resolutions, 19 were adopted, and 20 were rejected by the committee. Comrade Commander, we would like to thank the secretarial staff of the national convention in helping us complete this report.

This completes the report of the Medical Care and Hospital Services Committee for the national convention, and I move for the adoption of these resolutions and that the committee be discharged with the thanks of the national convention.

National Commander MEADOWS. Mike 2.

Mr. BURTON SPICKLER. Comrade Commander, Burton Spickler, Bakersfield, California, Chapter 20, seconds the motion.

National Commander MEADOWS. We have a motion and a second for the adoption of the report of the Medical Care Services Committee. All in favor, indicate by saying Aye; those opposed. The motion carried. Now then, we need a motion for the thanks and discharge of this hard-working committee. You can see the volume of the resolutions that it dealt with extensively and some of the most important to all of us. I will recognize Mike 1.

Mr. JOHN GOODMAN. Comrade Commander, I am Johnny Goodman from Chapter Number 46, Amarillo, Texas. It is with a great deal of pleasure I have the opportunity of offering the Chair a motion to discharge with a grateful vote of thanks that distinguished committee who look after the veterans rights and hospitalization. I so move.

National Commander MEADOWS. Do I hear a second?

Mr. SALTER. Comrade Commander, Salter from Chapter 2, Newport News, seconds that motion.

National Commander MEADOWS. Before voting on the motion to thank this committee, I would like to say that this area that this report represents is one of the most important activities that concerns this organization, and we had a difficult year, and we are not finished yet, in attempting to preserve the medical and hospital programs.

I fully expect this same kind of problem this coming year, and I am quite certain that we will again find it necessary to call upon the delegates and members of this organization to see if we cannot restore funds deleted from the VA medical budget.

And that brings us into the preparation, and the first news we have of it is that it is to be cut substantially. Another point that I would like to make covered by this committee's report, we have been working hard on the idea that service-connected veterans deserve priority when they enter an outpatient clinic or enter a hospital for admission.

I cannot say to you that there has been any great breakthrough on this problem, but on the other hand, I can report to you that some progress is being made in convincing those who administer these hospitals that they were put there for the benefit of service-connected veterans, that the service-connected veterans enjoy by law a priority, and that the other individuals who are there for nonservice-connected disabilities are there simply to fill any remaining beds after the service-connected veteran is taken care of.

I can think of no more important priority over the years that this organization could adopt than a continual insistence and pressure that veterans entering, service-connected veterans entering the hospital are accorded the priorities which the law bestowed upon them and to accomplish this—it can't be done by your national officers periodically fussing with the officials of the Veterans' Administration.

It can be accomplished by each of you who have personal experiences in local hospitals unfailingly calling to the attention of those hospitals any errors or any slippage in the admission policy or the operation of the outpatient clinic. I think with a concerted effort over a long period of time, we may perhaps gain true priority for the service-connected veterans in the VA hospital. [Applause.]

Now we have a motion to discharge the committee. All those in favor of the motion, say Aye; those opposed. The motion carried, and we do thank this committee for its efforts.

[The above-mentioned approved resolutions follow:]

RESOLUTION No. 019

Whereas current Veterans Administration regulations authorize dental care for former Prisoners of War for service connected dental conditions only; and

Whereas former Prisoners of War have suffered hardships and dietary deficiencies which have caused persistent dental conditions; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would entitle former Prisoners of War to treatment of any dental condition.

RESOLUTION No. 020

Whereas the proposed VA Budget for Fiscal Year 1979 would have drastically reduced the number of VA operating beds by 3,132 and would have eliminated VA research activities at 64 facilities; and

Whereas cutbacks in hospital and medical facilities construction in Fiscal Year 1979 could hinder the quality of Veterans Administration health care; and

Whereas the proposed budget for Fiscal Year 1979 would have eliminated over 1,500 full-time employees; and

Whereas adequate funds should be provided to improve medical care for all wartime disabled veterans in order to insure that America's disabled veterans will continue to receive the best medical care in the world; Now, therefore be it

Resolved, That the Disabled American Veterans in National Covnention assembled at San Francisco, California, August 13–17, 1978, vigorously opposes any future reductions in the VA medical care budget.

RESOLUTION No. 050

Whereas a proposal to make the Veterans Administration Hospital System part of a National Health Insurance Plan has been suggested; and

Whereas it is the policy of the Disabled American Veterans to preserve high quality VA hospital and medical care for veterans with disabilities incurred in or aggravated by service in America's Armed Forces; and

Whereas the inclusion of the VA Hospital System in a National Health Insurance Plan would destroy the VA's special medical care programs, specifically designed for the treatment of veterans whose disabilities are incident to military service; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, vigorously opposes any National Health Insurance Plan which proposes to incorporate the VA Hospital System.

RESOLUTION No. 052

Whereas, there are thousands and thousands of veterans whose claims have been adjudicated by the Veterans Administration as zero (0) per cent disability that have never received an Out-patient Treatment Identification (OTI) card and that are unaware of the fact that they are entitled to same; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978. That we request the Veterans Administration to put into effect necessary regulations so that all cases rated as service connected will automatically be sent Outpatient Treatment Identification cards at the time of the original rating action.

RESOLUTION NO. 347

Whereas Veterans Administration travel reimbursement is based on the cost of travel by common carrier or, in certain circumstances, 11 cents per mile; and

Whereas mileage determined by the Veterans Administration as travel at the convenience of the government, presently is authorized at 17 cents per mile; and

Whereas original examinations in compensation and pension claims, claims for increases in compensation and pension cases, and appeals (expect remand cases) are not considered as travel for the convenience of the government and is not payable at the maximum rate authorized; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 19-78, That Section 111 of Title 38, U.S. Code be amended to provide that Veterans Administration travel reimbursement for service connected beneficiaries, in connection with all treatment, examinations, appeals and counseling, be at the maximum rate authorized but in no event less than the rate payable to Federal employees traveling on official business.

RESOLUTION NO. 348

Whereas many former Prisoners of War of World War II and Korea are now suffering physical impairments long after their incarceration; and

Whereas the Congress has previously recognized the difficulties POWs have establishing service connection for their disabilities by enacting Public Law 91-376; Now, therefore, be it

*Resolved,*That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of of legislation that would mandate the Veterans Administration to conduct a study to determine the long-term physical and mental umpairments of former Prisoners of War.

RESOLUTION NO. 072

Whereas doctors at Veterans Administration facilities have united to form the National Association of VA Physicians because of inconsistencies in salaries for for physicians throughout the Federal govenmernt; and

Whereas even with enactment of the Physicians and Dentists Pay Comparability Act VA physicians are not receiving salaries comparable to doctors at the Public Health Service; and

Whereas existing pay scale rates do not attract qualified physicians in order to fill the approximately 21 per cent of vacant jobs at VA facilities; and

Whereas as a prerequisite for receiving full salary and bonus compensation, VA physicians are required to sign a one to four year contract at a lower salary than their counterparts in the Military or at the Public Health Service; Now, therefore, be it

*Resolved,*That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, supports equal salaries, bonuses, benefits and retirement for VA doctors as is currently provided to their contemporaries in the Military and at the Public Health Service.

RESOLUTION NO. 097

Whereas a service connected veteran should receive the highest priority within the framework of the Veterans Administration for outpatient and inpatient hospitalization; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco California, August 13-17, 1978, That a thorough study be made to see that this category of veterans is being taken care of in the manner prescribed by law.

RESOLUTION NO. 102

Whereas hospital treatment furnished by the Veterans Administration is generally excellent; and

Whereas this excellent service is solid assurance to the disabled veterans of America that their physical needs will be well provided for; and

Whereas it is contended that this character of service should prevail at the time of demise; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, urge the Veterans Administration to provide special facilities to take care of the terminally ill in the hospitals; and be it further

Resolved, That in all cases where death is imminent, special rooms or wards be made available to those patients with specially trained hospital personnel; and be it further

Resolved, That housing and subsistence be furnished by the Veterans Administration at a modest cost for the nearest relatives of the veteran to be located adjacent to the space provided for the veteran.

RESOLUTION No. 181

Whereas the need for extended health care facilities for veterans has become increasingly more apparent in recent years; and

Whereas many veterans are presently receiving health care at government expense in privately owned health care facilities; and

Whereas the Disabled American Veterans is concerned over the quality of care extended to America's wartime disabled veterans; and

Whereas Veteran Care Centers could relieve VA hospitals of those veterans who need only convalescent or extended care; and

Whereas VA hospital beds would become available to more disabled veterans needing hospitalization; and

Whereas such Veteran Care Centers should be constructed in the vicinity of VA hospitals as to assure the continuity of quality health care; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation to establish Veteran Care Centers and other related health care facilities at or near every VA hospital.

RESOLUTION No. 279

Whereas Congressman Olin E. Teague has been the author and prime advocate of major legislation affecting veterans since World War II; and

Whereas Congressman Olin E. Teague served as Chairman of the House Committee on Veterans Affairs for 18 years and through his Chairmanship assured that wartime disabled veterans received adequate compensation benefits; and

Whereas the members of the Disabled American Veterans are grateful to Congressman Teague for his efforts on behalf of all veterans, their dependents and survivors; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That the Veterans Administration Hospital, Temple, Texas be renamed the Olin E. Teague Veterans Administration Hospital as a living tribute to a great American.

RESOLUTION No. 299

Whereas the Veterans Administration proposes by the end of Fiscal Year 1980 to reduce the number of available VA operating beds by 5,000; and

Whereas veterans seeking acute and chronic care at VA hospitals are many times turned away because of the unavailability of beds; and

Whereas such veterans must seek hospitalization and treatment elsewhere which creates hardships for those veterans and their families; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, goes on record as strongly opposing any further reductions in the number of active operating beds in VA hospitals; and be it further

Resolved, That legislation be enacted which would restore the beds already eliminated in VA facilities and to convert them to critically needed intermediate and nursing home care beds.

RESOLUTION NO. 302

Whereas the Veterans Administration Budget for Fiscal Year 1979 calls for the abandonment of the research funding in 64 VA facilities; and

Whereas the scientific community has recognized the significant contributions made by VA physicians engaged in research as demonstrated by the award of the Nobel Prize to two VA research physicians; and

Whereas any reduction in the VA medical research program will seriously affect recruitment of qualified physicians, diminish the quality of patient care and adversely affect clinical teaching in VA hospitals; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which will provide realistic funding for all VA medical research programs.

RESOLUTION NO. 306

Whereas budget limitations have eliminated funds for construction of badly needed domiciliary facilities and Veterans Administration hospitals; and

Whereas future construction of previously planned replacement hospitals for the VA is threatened; and

Whereas the need for these facilities has been amply demonstrated; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would insure that the necessary funds are made available for the construction of all previously approved VA hospitals and domiciliary facilities.

RESOLUTION NO. 308

Whereas veterans in need of health care but not in need of hospitalization are often treated at private nursing homes; and

Whereas the government should provide nursing home care operated by the Veterans Administration for all wartime disabled veterans in need of such care; and

Whereas VA nursing home care should be available in every state of the United States; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would establish VA operated nursing homes in every state.

RESOLUTION NO. 310

Whereas the Veterans Administration authorizes priority health care to veterans of the Spanish American War; and

Whereas the infirmities of age are common to both the veterans of the Spanish American War and of World War I; and

Whereas the average age of World War I veterans is approximately 80 years or more; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to provide health care services as are currently afforded to Spanish American War veterans who are 80 years of age or older.

National Commander **MEADOWS**. We have one final committee report that we will present to you. I thank you for your patience and ask you to bear with us as we hear the report of the Legislative Committee. Dick Follis is the chairman. This is the final report of the committees that we had scheduled today, and I appreciate your cooperation in the expeditious handling of these reports, and we will recognize the chairman of the Legislation Committee.

Mr. **DICK FOLLIS**. Thank you, Comrade Commander. Delegates to this 57th Convention, the National Committee on Legislation was called to order for its first business meeting on Monday, August the 14th, at 8:15 a.m. by the committee advisers, Jim Cain and Butch Joeckel.

The first order of business was the election of a convention committee chairman. Dick Follis, District 9, was nominated for chairman. There being no further nominations, nominations were closed and Dick Follis, District 9, was elected chairman for the past three years.

The next order of business was the nomination and election of a secretary. Al Linden from the great State of Maryland was nominated and elected secretary to this committee.

The committee then proceeded in reviewing resolutions that were submitted to our committee and will report to you only on the resolutions that were recommended for adoption by this national convention. For the purpose of saving time, I will only read the resolved portions of these resolutions.

OK, Resolution 166, as presented to our committee, was in reference to eligibility for commissary cards:

> Therefore, be it ***Resolved by, the delegates convened at the 57th Annual Convention, Department of Ohio, Disabled American Veterans, June 9, 10, and 11, Dayton, Ohio,*** That the Congress of the United States be petitioned to enact legislation to grant commissary privileges at U.S. military bases to enlisted personnel who were discharged from the military for service-connected incurred disability prior to October 1, 1949 and were granted a disability rating of 30 percent or more from their date of discharge by the Veterans Administration and who retain a 30 percent or more disability rating for a period of ten years.

Resolution 159:

> Therefore, be it ***Resolved,*** That Guernsey Chapter 28, Disabled American Veterans, Department of Ohio, during its regular monthly meeting on May 18th, voted unanimously to recommend that provisions be made for the issuance of a Bronze Star Medal to the veterans who served honorably and were awarded a combat infantry badge during the Korean and Vietnam Conflict.

Resolution 051 as approved:

> Be it ***Resolved, by the national organization, Disabled American Veterans, Department of Montana, in convention assembled at Helena, Montana, May 19 and 20,*** That we strongly urge our Senators and Representatives in Congress to oppose vigorously any and all economy cuts in the Veterans Administration appropriations at the expense of the disabled American veterans of our nation.

Resolution 124:

> Be it ***Resolved,*** That the national organization of the Disabled American Veterans establish the concept of at least one national cemetery for each and every state as a top national legislative priority item; and be it further
>
> ***Resolved,*** That the national organization of the Disabled American Veterans protest the regional concept of national cemeteries adopted.

Resolution 038:

> Now, therefore, be it ***Resolved,*** That the Disabled American Veterans, Department of South Dakota, do hereby request the Disabled American Veterans National Convention at San Francisco, California, August 12th through 18th, to pass a resolution which would request a change in Veterans Adminsitration regulations to provide that a recipient of CHAMPA be allowed to continue CHAMPA benefits in lieu of or in conjunction with Medicare benefits without regard to age.

Resolution 157, adopted:

Therefore, be it *Resolved,* That the Disabled American Veterans, Department of Ohio, during regular convention held in Dayton, Ohio, June 9, 10, and 11, support legislation to end discrimination against widows eligible under CHAMPUS, and give them the same rights as widows entitled to CHAMPA benefits.

Resolution 298, adopted:

Be it *Resolved, by the Disabled American Veterans, Department of Massachusetts, meeting in state convention assembled in Hyannis, Massachusetts, June 22, 23. 24,* That we vigorously strive for the enactment of legislation to (1), restore CHAMPUS benefits which have been curtailed or eliminated by the Department of Defense; (2) restore the CHAMPUS reimbursement ceiling to the 90 percentile level; (3) attract sufficient physicians and other health care personnel to meet the needs of active duty and retired members of the Armed Forces through the increased incentive program or in the alternative, by reinstatement of the draft.

Resolution 334, as amended:

Therefore, be it *Resolved,* That the Disabled American Veterans in national convention assembled in San Francisco, California, August 13 through 18, go on record as strongly supporting the removal of all architectural barriers in existing airports and future construction of new airport facilities.

Resolution 341, adopted:

Therefore, be it *Resolved,* That the Disabled American Veterans, in national convention assembled in San Francisco, California, August 13th through 18th, seek the enactment of legislation that would require all overseas personnel employed as cemetery superintendents and assistant superintendents to be citizens of the United States of America.

Resolution 339:

Therefore, be it *Resolved,* That the Disabled American Veterans, in national convention assembled in San Francisco, California, August 13th through 17th, strongly support and encourage the continuation of the committee's oversight responsibility in applying science and technology to the needs of the handicapped and the Panel on Research Programs to Aid the Handicapped on the House Committee of Science and Technology.

Resolution 296:

Be it further *Resolved, by the Disabled American Veterans, Department of Massachusetts,* That a copy of this resolution be sent to the national convention, DAV meeting, in San Frandisco, August 12th through 18th, for an action by that body; further

Resolved, by the Disabled American Veterans, Department of Massachusetts, at state convention assembled in Hyannis, Massachusetts, June 22, 23, 24, That we adamantly oppose any effort to abolish characterization of service to downgrade the requirements of issuance of any honorable discharge or to debase the value of honest and faithful service.

Resolution 215:

Be it therefore *Resolved,* that the Disabled American Veterans, in national convention assembled in San Francisco, California, August 12th through 18th, vigorously oppose any proposal to phase out the Armed Forces Commissary system.

Resolution 222:

Be it therefore *Resolved,* That the Disabled American Veterans, in national convention assembled in San Francisco, California, vigorously oppose the National Health Insurance Plan which proposes to incorporate the Veterans Administration hospital system.

Resolution 223, and this is our last one, thank God:

Therefore, be it *Resolved*, That the Disabled American Veterans, in national convention assembled in San Francisco, California, August 12th through 18th, go on record urging the Veterans Administration to favorably consider increasing the nursing home allowance in committees which were not provided at present rating.

This was presented by Federal Chapter 42 and adopted by the department convention in Elgin, Illinois.

Comrade Commander, this completes the report of the Legislation Committee, national committee, and I move for the adoption of these resolutions and that the committee be discharged with the thanks of the national convention, and personal thanks to each individual that served on this committee.

National Commander MEADOWS. Mike 2.

Mr. G. W. PERKINS. G. W. Perkins, Chapter 20, Bakersfield California. I second the motion.

National Commander MEADOWS. Mike 1.

Mr. WILLIAM L. McCAULEY. Commonwealth of Virginia, Department Commander William L. McCauley, also seconds that motion.

National Commander MEADOWS. We have a motion and a second to accept the extensive report of the Legislative Committee and discharge that committee with thanks for their efforts. All in favor, indicate by saying Aye; all opposed. The motion carried. We appreciate your handling this very large assignment, and obviously you have brought to the convention a wide variety of subjects of interest to this organization. We thank you for your efforts. [Applause.]

[The above mentioned approved resolutions follow:]

RESOLUTION No. 166

Whereas disabled enlisted personnel who were discharged from military service prior to October 1, 1949—the effective date of the Career Compensation Act—are not entitled to disability retirement from the Armed Forces; and

Whereas many service connected disabled veterans have been deprived of the various benefits to which all other disabled retired military personnel have enjoyed; and

Whereas due to the spiraling inflation, service connected disabled veterans receiving VA compensation only are experiencing difficulties in keeping pace with the increasing cost of living; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted which would extend military commissary and exchange privileges to enlisted personnel who were discharged from active military service prior to October 1, 1949 for a service incurred injury or disease rated by the Veterans Administration as 30 per cent or more disabling and who retained at least a 30 percent evaluation for a period of five years from the date of separation from active duty.

RESOLUTION No. 159

Whereas U.S. Army Regulations currently provide for issuance of the Bronze Star Medal to World War II U.S. Army Infantrymen who were awarded the Combat Infantry Badge; and

Whereas no provision has ever been made for issuance of the Bronze Star Medal to U.S. Army Infantrymen who were awarded the Combat Infantry Badge while serving in Korea and Vietnam; and

Whereas veterans of the Korean Conflict and the Vietnam Conflict who were awarded the Combat Infantry Badge should be given the same consideration as the veterans of World War II; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, recommends that provisions be made for the issuance of the Bronze Star Medal to those veterans who served honorably and were awarded the Combat Infantry Badge during the Korean and Vietnam conflicts.

RESOLUTION No. 51

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That we strongly urge our Senators and Representatives in Congress to oppose vigorously any and all economy cuts in the Veterans Administration appropriations at the expense of the disabled veterans of our Nation.

RESOLUTION No. 124

Whereas there are many states and regions of the United States without National Cemetery facilities; and

Whereas federal and state land ideally suited for cemetery development is available in many states; and

Whereas veterans should be entitled to burial in a National Cemetery reasonably close to their home; Now, therefore, be it

Resolved, by the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, That legislation be enacted to provide for at least one National Cemetery in each state to insure that every veteran may be buried in a National Cemetery reasonably close to his home.

RESOLUTION No. 038

Whereas eligibility under the CHAMPVA Program is terminated at age 65 due to such beneficiaries' entitlement to Medicare benefits; and

Whereas Part B of Medicare does not provide for prescription drugs and pays only 80 per cent of allowable physicians' and/or surgeons' fees; and

Whereas Part A of Medicare provides coverage only after the recipient pays the first $144 of each hospitalization and thereafter benefits are reduced for extended periods of hospitalization; and

Whereas advancing age correspondingly increases the need for prescription drugs, the frequency of medical attention and hospitalization; and

Whereas CHAMPVA provides medical care coverage at an annual deductible rate of $50 for a single recipient or $100 for an entire family; and

Whereas CHAMPVA provides reimbursement of 75 per cent of all allowable charges for prescription drugs, medical, surgical and hospitalization; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation which would extend eligibility under CHAMPVA in lieu of the benefits provided by Medicare and without regard to age.

RESOLUTION No. 157

Whereas widows/widowers entitled to CHAMPVA benefits who remarry may have their eligibility to CHAMPVA reinstated upon the dissolution of the second marriage; and

Whereas widows/widowers entitled to CHAMPUS benefits lose their eligibility to benefits if they remarry; and

Whereas entitlement to CHAMPUS benefits cannot be restored regardless of whether or not the marriage to the second spouse was dissolved; and

Whereas CHAMPVA and CHAMPUS benefits are so similar in other respects that widows/widowers eligible for CHAMPUS should receive equal treatment with respect to restoration of such benefits; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, seeks the enactment of legislation that would reinstate eligibility under the CHAMPUS Program for remarried widows/widowers whose second marriage has been dissolved.

RESOLUTION NO. 298

Whereas the shortage of active duty military professional medical and dental personnel curtails the use of the uniformed services health care facilities by military retirees and the dependents of both active duty and retired personnel; and

Whereas the reduction in the CHAMPUS ceilings for reimbursement has discouraged many private physicians from participating in the CHAMPUS Program; and

Whereas a guarantee of adequate health care for dependents and military retirees is an implied contract for those who chose to serve in America's Armed Forces; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of legislation which would:

1. Prevent any further erosion of CHAMPUS benefits by the Department of Defense;
2. Restore the CHAMPUS reimbursement ceiling to the 90 percentile level; and
3. Through incentive programs, attract sufficient physicians and other health care personnel to meet the needs of retired military personnel and active duty members of the Armed Forces.

RESOLUTION NO. 334

Whereas more and more of our society rely on air transportation for business and pleasure; and

Whereas many airport facilities are inaccessible to individuals with varying degrees of handicaps; and

Whereas it is the sense of the Congress that architectural barriers be removed and public facilities be made accessible to the handicapped as demonstrated by the tax incentives available for individuals who make their facilities accessible and the recent Presidential Proclamation regarding National Architectural Barriers Awareness Week and Public Law 90-480 which requires that new construction and remodeling of existing construction using federal funds be made accessible to all persons; and

Whereas construction of this nature at airports is frequently done with federal financial assistance and accordingly would be subject to the provisions of P.L. 90-480; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, goes on record as strongly supporting the removal of all architectural barriers in existing airports and in future construction of new aircraft facilities.

RESOLUTION NO. 341

Whereas the Department of State (American Ambassador Staff) has jurisdiction over the staffing of American cemeteries in foreign countries; and

Whereas the State Department has been directed to reduce its overseas staffing; and

Whereas the Department of State proposes to comply with its directive by eliminating American citizens as superintendents and Assistant Superintendents of overseas cemeteries under the American Battle Monuments Commission; and

Whereas these positions financed by the U.S. Government would be filled by citizens of foreign countries; and

Whereas the proper maintenance of the final resting place for thousands of this Nation's wartime deceased should be insured by American supervision of overseas cemeteries; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, seeks the enactment of legislation that would require all overseas personnel employed as cemetery Superintendents and Assistant Superintendents to be citizens of the United States.

RESOLUTION No. 339

Whereas the 94th Congress recognized that America's vast scientific and technological resources should be applied to the needs of this nation's disabled and established a special panel of experts under the jurisdiction of the House Committee on Science and Technology; and

Whereas this special panel of experts is mandated to examine existing research authorities, identify, coordinate and to establish a cohesive structure of research programs designed to assist the handicapped; and

Whereas the Panel on Research Programs to Aid the Handicapped identifies for the Congress the specific areas in which science and technology may be utilized to assist the disabled; and

Whereas the work of this special panel has already resulted in specific research programs in the National Aeronautics and Space Administration, the National Science Foundation, and legislation establishing a new National Institute on Handicapped Research; and

Whereas disabled veterans, handicapped persons and the elderly will directly benefit from much of the activity of this special panel; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, strongly supports and encourages a continuation of the Committee's oversight responsibilities in applying science and technology to the needs of the handicapped and of the Panel on Research Programs to Aid the Handicapped of the House Committee on Science and Technology.

RESOLUTION No. 296

Whereas a testimonial for honest and faithful service in America's Armed Forces was first instituted during the Revolutionary War; and

Whereas millions of Americans have demonstrated their patriotism by honest and faithful service in defense of this nation; and

Whereas this service is attested to by an honorable discharge; and

Whereas a prerequisite to membership in the DAV in an honorable discharge from the Armed Services; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, opposes any action by the Congress or the Military Departments to eliminate the character of discharge or to demean in any way the special significance of honest and faithful service.

RESOLUTION No. 215

Whereas some members of Congress have proposed to phase-out the Military Commissary System; and

Whereas the Commissary System is of vital importance to the personnel of our Armed Forces; and

Whereas active duty personnel, their dependents, retired military and disabled veterans who live on fixed incomes should have high quality food at fair and reasonable prices; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, vigorously opposes any proposal to phase-out the Armed Forces Commissary System.

RESOLUTION No. 222

Whereas a proposal to make the Veterans Administration hospital system part of a National Health Insurance Plan has been suggested; and

Whereas it is the policy of the Disabled American Veterans to preserve high quality Veterans Administration hospital and medical care for veterans with disabilities incurred in or aggravated by service in America's Armed Forces; and

Whereas the inclusion of the Veterans Administration hospital system in a National Health Insurance Plan would destroy the Veterans Administration's special medical care programs specifically designed for the treatment of veterans whose disabilities are incidental to military service; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, vigorously opposes the National Health Insurance Plan which proposes to incorporate the Veterans Administration hospital system.

Resolution No. 223

Whereas the allowances for Veterans Administration nursing home care in the community, particularly in regions of high cost for such nursing home care, prohibits transfer of eligible veterans to nursing homes in the community; and

Whereas many service connected, severely disabled veterans are in need of being placed in community nursing homes, but are prohibited due to the high cost of such care; Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13–17, 1978, goes on record urging the Veterans Administration to favorably consider increasing the nursing home allowance in communities where such care cannot be provided at the present rate.

Resolution No. 254

Whereas 100 per cent service connected disabled veterans have given parts of their bodies, earning capacities and a lifetime of healthy activities in defense of their country and more than any other living group of Americans deserve to receive all the reasonable benefits and privileges that Congress and Department of Defense can provide to them; and

Whereas before 1949, disabled enlisted personnel who could no longer perform their duties were separated from service without the retirement benefits and privileges that were afforded disabled officer personnel; and

Whereas Congress attempted to correct this discrimination by passing the Career Compensation Act of 1949 which provided for the retirement of all personnel seriously disabled in the service of their country; and

Whereas both disabled officers and enlisted personnel separated after October 1949 have enjoyed full retirement benefits and privileges including space available travel on military aircraft; and

Whereas DOD has determined that the Career Compensation Act could not be applied retroactively, thus excluding enlisted disabled personnel who were discharged before 1949 from receiving the benefits that all other military disability retirees have enjoyed; and

Whereas DOD recognizes 100 per cent service connected disabled veterans by issuing military identification cards to them and their dependents upon receipt of certification of their disability rating from the Veterans Administration; and

Whereas in 1973, Congress eliminated the discrimination against the 100 per cent service connected disabled veteran by extending medical services under the CHAMPVA Program to their dependents; and

Whereas such discrimination against 100 per cent service connected disabled veterans now exists only in the area of space available air travel; and

Whereas it does not cost the government any more for a 100 per cent disabled veteran to occupy a seat on a military aircraft than for the seat to be empty: Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at San Francisco, California, August 13-17, 1978, vigorously petition the Department of Defense to administratively extend space available air travel to 100 per cent service connected disabled veterans under the same conditions as military retirees; and be it further

Resolved, That in the event the Department of Defense does not act favorably on this petition, that legislation be enacted by the U.S. Congress to extend space available air travel to all 100 per cent service connected disabled veterans on the same priority basis and under the same conditions as is currently provided military retirees.

National Commander **Meadows**. Now then, will the officer of the day——

NEC Fourth District **Julio Gonzalez-Monclova**. Comrade Commander, Monclova, commander of the Department of Puerto Rico. I think before we close today, I would like to bring again what was approved by the NEC meeting last Saturday on behalf of all the disabled veterans of Puerto Rico being left out of the benefits or pension. Do you remember that at the NEC meeting?

National Commander **Meadows**. I do remember, and with the forebearance of the delegates, even though I am not certain that this action would not be redundant, we do know that in order to insure we have covered the matter that the department commander from Puerto Rico suggests—in our previous meeting a few days ago at the National Executive Committee, we adopted a resolution, the sense of which wast hat we oppose any move to diminish or curtail compensation, pension or other types of benefits based on geographic location or local economic conditions.

Now, the point of this is that there have been twice this year—as a matter of fact, there has been a bill adopted by one of the committees that certain benefits be increased for those veterans in the 50 states, but those increases would not go to veterans residing in the Commonwealth.

Another proposal that would have affected the compensation of a great many Disabled American Veterans was a proposal which our national organization fortunately was able to get set aside that would have curtailed for veterans living outside the 50 states the compensation increase which is currently being adopted.

We recognized this as an exceedingly dangerous trend, the idea that compensation pension or any other benefits would be paid based on the particular locality in which veterans will live or some other type of index. So, if you will permit me, I will say and ask that we consider that we have before us a resolution opposing the payment of benefits such as benefits based on localities, the exact localities and economic circumstances.

And if I can hear a second to that motion.

Mr. **George Nicholas**. George Nicholas, Scott County Chapter 2, Davenport, Iowa, seconds that motion.

National Commander **Meadows**. We have a motion and a second. Those in favor of the resolution, please indicate by saying Aye; those opposed. The motion is carried. Now, is there any doubt?

NEC Fourth District **Gonzalez-Monclova**. Thank you very much.

National Commander **Meadows**. Now, will the officer of the day escort to the podium the Imperial Golden Rodent, Lester Carr, and the Imperial Red-Eyed Gnawer, Henry Swann. [Applause.]

Mr. **Lee Kirk**. Comrade Commander, it is with a great deal of pleasure to present to you and to the delegates to the convention the commander of one of your auxiliary units of the Disabled American Veterans, the National Order of Trench Rats, Imperial Golden Rodent Lester Carr and the Imperial Red-Eyed Gnawer Doc Swann.

National Commander **Meadows**. Please join us here, and I would like to recognize the Imperial Golden Rodent for a few remarks. And while he is coming here, I would like to say that we are especially aware of the activities of this organization, supporting the DAV Service Foundation. Would you please come forward.

Imperial Golden Rodent **Lester Carr**. Commander Meadows, national officers, delegates to this convention, and Brother Rats, of course—I don't want to forget you—this is a very sudden change that has been brought up in the past ten minutes.

We were prepared to come on robed and in full paraphernalia this afternoon, but seeing things have been changed, we will be coming out, I believe, Thursday, so at that particular time—I am a pretty off-the-cuff speaker, but I had a very nice little message prepared, and seeing that our imperial officers are not here—and I have, of course, told all my friends all over the United States what time to expect me, but I will hold this up until Thursday, and I hope that all of you will be here because I am very proud of the imperial officers that I have.

And I am very proud to be a member of the Disabled American Veterans. I had a fine year as Imperial Golden Rodent, and I enjoyed most every minute of it. So I will save my presentation until Thursday, and I would like to present my Imperial Red-Eyed Gnawer who is also a past Imperial Golden Rodent, and he will explain what our procedure will be in the program a little later on.

Doc, will you come forward. [Applause.]

Imperial Red-Eyed Gnawer HENRY E. SWANN. Thank you. Brother Rats, at this time I would like to remind you that our Rendezvous this year will be held in, our business session will be held in Continental Ballroom 5, starting at 1 p.m. Now, registration cards will be checked at the door, and delegates' and alternates' credentials will be checked, and you will be seated as you are for this organization, this parent organization meeting.

I hope that you will all know what district you are in, and I hope that the Imperial Executive Rats will be there to help you take your seats. Please inform your scavvies that they will report to Ballroom 1, which is just this side of the elevator, at 5 p.m.

And if we finish our business session Wednesday afternoon in time, we will have a parade starting from outside in the hall. We will line up here at 5:30 and go down the escalator, and those who can't make it on the escalator will go to the elevator and go down.

We will parade by two's through the lobby all the way back to the tower elevators. We will ride up the tower elevator to the ballroom on this floor and go into the Franciscan Room right straight out of the elevators, and we will have our cocktails and our dinner.

And I am sure everybody will be well pleased with what we are going to have. I won't tell you; I will let that be a surprise. From that we will move into the Imperial Ballroom, which is just next door, for the initiation of our scavvies and for our entertainment for the evening.

And, the full clan will be presented on Thursday morning at 9 o'clock, I understand; is that correct? Nine o'clock we hope to see as many of you as possible. At that time we will present our usual donation to the Special Trench Rat Rehab. Fund of the National Service Foundation.

We cannot present that until the Rendezvous has met and approved the amount that we are giving. I thank you for the honor of coming before you. It is my privilege to serve the National Order of Trench Rats and any disabled veterans in any way that I can. Thank you very much. [Applause.]

National Commander MEADOWS. Thank you, Red-Eyed Gnawer. Come Thursday morning, bring the Rats and bring money. [Laughter.]

We have two individuals that we would like to recognize for presentations. National Executive Committeeman Jimmy Patrick has a presentation he would like to make.

NEC Fifth District JIMMY D. PATRICK. Thank you, Commander and members. I have a few certificates of merit I would like to present. One is to our national commander, Past National Commander Frank, 1977, and also Stan Pealer, will you come forward, please, third national junior. Will the secretary to the 5th NEAC, will you come forward if you are still in here?

Commander Meadows, I would like to present this to you from the mayor of Rockingham, North Carolina, and the city manager. Last month in North Carolina—this is for all the special guests that come in my district. Last month I gave you one from the governor, so I don't have another one for you, but I present this to you.

Frank, this is from Governor James B. Hunt, Jr., the governor of the State of North Carolina, and I would present it to you, and also present one from the little city I live close to, the City of Rockingham, North Carolina. [Applause.]

Past National Commander RANDAZZO. Thank you. You know, throughout my year as national commander, the one thought I had in mind was I was hoping that when the year was up, you wouldn't say, "Well, his year is up and we are glad to see him go," but rather that, "Well, his year is up, and we hate to see him go."

And I suppose in having received this morning's citations is kind of a warm feeling for me to know that well, some of you are still thinking about me, and I am indeed grateful. And thank you ever so much for this, and I assure you it shall be prominently displayed in my home. Thank you so much. [Applause.]

NEC Fifth District PATRICK. Stan Pealer, I don't know how it came, but here comes another one. I already gave you one from the governor, but here is another letter of merit from James B. Hunt, Jr., and also one from the City of Rockingham, North Carolina.

Third Junior Vice-Commander STAN PEALER. Thank you, Jimmy. As I say, during this past year I have had the extreme honor of being in Jimmy's 5th District four different times, and Jimmy is here this morning. It is a true example of his Southern hospitality. And it is greatly appreciated, and I will cherish it forever. Thank you very much. [Applause.]

NEC Fifth District PATRICK. Well, Dale, I have already given you one from the governor, but here is one from the City of Rockingham, North Carolina.

MEMBER. Jimmy, I want to sincerely thank you for this honor, and we really want to say that I am very pleased that having at last retired from the Federal Government, and I hope that I will be able to put most of my full time in working for this organization. Thank you. [Applause.]

National Commander MEADOWS. Thank you very much for your kind thoughts and remember all of us that have had the pleasure of going down to North Carolina.

Now I would like to present Bob Bales, deputy adjutant of Oklahoma, for a presentation.

Mr. ROBERT BALES. Commander Meadows, national officers, distinguished guests, last year a member of Tulsa Chapter 32 was presenting one of his plaques to our chapter and requested we bring it to the department and present it to the National so it could hang in the Archives. Richard Church was a backup member of the flag-raising ceremony at Iwo Jima in 1945 at the age of 18.

At this time I would like to present this plaque to the national commander. [Applause.]

National Commander MEADOWS. I understand this presentation is made so that this would be included in the Archives in our building in Washington. We thank you so much, Bob, for this memento that should be included in our Archives. [Applause.]

I will recognize the national adjutant for the announcements.

National Adjutant ADAMS. First, Commander Meadows, I would like to compliment the delegates on the expeditious way that they have conducted the business of this convention. I think we have broken a record here today. We have done two sessions in one. We get the afternoon off. [Applause.]

[Miscellaneous announcements.]

National Commander MEADOWS. I will ask Reverend Carl Bergstrom to offer the prayer for our dismissal.

National Chaplain BERGSTROM. Amightly God, may we now pause to refresh ourselves, that in due time we may return with vigor and pursue the task and the labor that is before us. This in Thy Holy Name we ask. Amen.

National Commander MEADOWS. We will now recess the convention until 9:00 a.m. Thursday.

[Whereupon, the meeting recessed at 12:05 p.m., August 15, 1978.]

CLOSING OF BUSINESS SESSION

August 17, 1978

The closing business session of the 57th National Convention of the Disabled American Veterans convened in the Continental Ballroom of the San Francisco Hilton Hotel, San Francisco, Calif., Thursday, August 17, 1978, and was called to order at 9 a.m. by National Commander Oliver E. Meadows.

National Commander OLIVER E. MEADOWS. Color Guard, post the colors.

[Posting of colors.]

[Pledge of Allegiance led by Senior Vice-Commander Billy O. Hightower.]

National Commander MEADOWS. Will the chaplain lead us in prayer, please.

National Chaplain BERGSTROM. Let us pray. Almighty and Everloving God, we give You thanks for enabling the officers and members of the Disabled American Veterans for this past year to have the strength and the wisdom to conduct the various services and activities which would be for the benefit of the disabled.

We pray that as the new officers are elected and installed they may carry forth in their hearts and their minds the faith, the wisdom, and the courage to press ever forward. May we never lose sight of that goal to aid the disabled, the widows, and the orphans. In Your Name. Amen.

National Commander MEADOWS. Please be seated. Will the officer of the day escort the newly elected Golden Imperial Golden Rodent and the National Order of Trench Rats to the podium, please.

Mr. **Lee Kirk**. Comrade Commander, it is with a great deal of pleasure to introduce to you and to the floor——

[Whereupon, Senior Vice-Commander Hightower assumed the chair.]

Senior Vice-Commander **Billy O. Hightower**. Will you escort him forward, please.

Mr. **Kirk**. Thank you. [Applause.]

Senior Vice-Commander **Hightower**. Please come to order. It is my privilege to introduce to you the new Imperial Golden Rodent—the old, I beg your pardon. Okay, the old Imperial Golden Rodent, the National Order of Trench Rats—I am sorry; I am reading the wrong notes. Commander Meadows was called from the podium very quickly—the old Imperial Golden Rodent, Mr. Carr. Mr. Carr. [Applause.]

Imperial Golden Rodent **Lester Karr**. I would have at this time my Imperial Red-Eyed Gnawer, Doc Swann, call the roll of the Imperial officers.

Imperial Red-Eyed Gnawer **Henry E. Swann**. Denvel, I would like to give you a little message from us old red-eyes. When you leave an early call after a Rendezvous, we would all appreciate coffee and doughnuts.

Lister Carr, our Imperial Golden Rodent, you have already met, and you have heard our Past Silver Rodent, Coleman J. Hewett from Macon, Georgia, our newly elected Golden Rodent. Lester Karr is from Negaunee, Michigan. Armando Tata, our Bubonic Plague, Omaha, Nebraska; Fred Graf, our Black Plague, from Hayward, California: Douglass R. Jones, Hole-y Rat, Beulahland, New York. Our Bench Rat is not here.

Jack Follis, our Iron Claw, from Chicago, Illinois. You have already met me; and Roy J. Mitchell, our Historic Rat from Hampton, Virginia. Our Imperial Executive Rats: from the 1st District, Frederick J. Ingerson of Boston, Massachusetts; from the 2nd District, John J. DiLaurenzio from Naugatuck, Connecticut; from the 3rd District, Peter D. Salerno, Pencoyd, Pennsylvania; from the 4th District, Werren B. Lone, Landover, Maryland; from the 5th District, Lee A. Henderson, Ft. Lauderdale, Florida; from the 6th District, Simon G. Bordelon, from Louisiana; our 7th District is absent.

From the 8th District, Marvin Roslansky from Ravine, Wisconsin; from the 9th District, Dr. E. N. Vegiard, from Kansas City, Missouri; from the 11th District, Larry Norman, Loveland, Colorado; from the 12th District, Edward M. Tamanaha, from Pearl City, Hawaii; and the 13th District is absent; and from our 14th District is Robert P. Bales from Tulsa, Oklahoma.

At this time I would like to introduce our past Imperial Rodents or past Imperial Golden Rodents: Immediate Junior Past Imperial Golden Rodent Joe Gibbs from West Covina, California; from Ft. Lauderdale, Florida, Roger E. Yost; from Worth, Illinois, Alfred W. Grajek; from Denver, Colorado, Sam M. Vigil, Jr.; and from Colorado Springs, Colorado, Ivor J. Williby; and from Washington, the State of Washington, O. Crummack; and from New Orleans, Louisiana, William F. Surgi; and our Senior Imperial Rodent, Ted Pillman from Bowie, Maryland. That is all we have on here. [Applause.]

I would like to mention our Imperial Rodent Allen Hendricks died in January, and Michael W. Glossinger died in June, and that J. Earl Merifield is ill at this time.

Imperial Golden Rodent KARR. Commander Hightower—and it is nice to have you with us, Commander Meadows—national officers, comrades, brothers, friends of the Disabled American Veterans: When I was elected to lead the National Order of Trench Rats in July of 1977, I promised to do so to the best of my ability, which I have done.

I have visited many states, starting from California when I left Las Vegas, from California, Oregon, Washington, Idaho, Montana, and many more, visiting chapters and hospitals and dugouts and doing my best to build a good image, which I think we have, with the National Order of Trench Rats.

I tried to answer all the questions from chapters and dugouts pertaining to the National Order of Trench Rats. I have visited Wisconsin, Pennsylvania, Indiana, Oregon, and Illinois and helped in forming several dugouts. In fact, we had 13 new dugouts this year and about the same amount of new sectors.

Sectors are comparatively new to the National Order of Trench Rats. They are about the same as the state departments are for the Disabled American Veterans. When we have three or four or five more dugouts in a state, we take officers from each of the dugouts and form a sector.

This makes a closer bond between the dugouts so they can get together a couple of times a year. It makes a place for the fellows that work pretty hard for the Disabled American Veterans to meet and remember each other.

I visited Pennsylvania where Commander Grau and Imperial Executive Rat Peter Salerno were fine hosts, and they have two new dugouts there and a new sector. Michigan, of course, I believe everybody knows my home state. We are not lacking when it comes to members in the Disabled American Veterans, and I think we hold the honor roll for percentage-wise or close to it. And we also have a fine organization in the Trench Rats.

I enjoyed the Disabled American Veterans district meeting in Wausau, Wisconsin. They have a little different setup. They have about eight districts and a new dugout was formed up there in Wausau. And the State of Florida, I believe everybody realizes that when we become a little older, a lot of us travel down in that direction. That is our biggest rat state in the United States, and I think they are going to change the name there. I think it is "Sunshine" now, but they will probably change it to the "Brother" state, any time now.

I visited Cold Spring, Kentucky. They have a very interesting program down there. They have a sticker program and a computer setup where they keep track on everybody that is here, and they can pick your name out in a minute. And I want to thank Tom Dehne for being such a fine host and also editor for the paper, Wilson, Dick Wilson.

And I wish much success to the following Golden Rodents as I have had because I had a very fine year. I want to thank all my officers that are here. They have all been cooperative. This fine group of officers helped to accomplish what I wanted to accomplish. I want to thank also John Soave, if he is around here. He happened to be my Imperial

Bench Rat. John is a past national commander, and he helped me. John was very helpful. There you are, Brother John. He has been very helpful through the year, and I thank you very much.

I want to thank all our officers. I think Roy Mitchell has had a very particularly good year. He has done a fine job. He is out here, and he has got a book made up of cartoons about everybody that I have had contact with. I don't know if the national commander has a picture in there or not, but I will take a look. I want to thank somebody some place in this audience—I have Chapter 113, or Dugout 345; there they are way over in here.

They are the ones that put me through the year. They also had a testimonial dinner for me that was out of this world. And many of you that were able to make it, I think, were attending something that was fitting for a national commander—and also the rooms that I have had here for the Trench Rats. It was very good. Thank you very much.

I also want to thank Past National Commander Douglas McGarrity. I also want to thank Jack Lawless.

[Whereupon, Commander Meadows resumed the Chair.]

National Commander MEADOWS. Could we have order, please. Will the gentlemen in the back of the room try to be more quiet.

Imperial Golden Rodent CARR. Thank you, Commander. I also want to thank Imperial Jack Follis for the roast. He does a pretty good roast job, and I thank him for that. I promised to do my best for the National Order of Trench Rats when I took this job. I promise now to work hard as ever for the disabled veterans and enjoy them and also enjoy the Trench Rats.

Commander Meadows, I have here for the Service Foundation from the National Order of Trench Rats to contribute, as they do most every year, every year I believe as long as I can remember, a check for $6,300 for the Rehab. Foundation. [Applause.]

You heard of the loss of two brothers this year, Brother Hendricks, and we have a check for the Foundation for $100, and also we lost our Imperial Rodent, and we have another $100. [Applause.]

I thank the national officers for all the help they have given to the National Order of Trench Rats, for doing what they have for the year, and I hope that they make me try to help them also. Thank you very much for letting me be your Imperial Golden Rodent. [Applause.]

National Commander MEADOWS. On Wednesday, when we presented the Imperial Golden Rodent briefly, I asked them, asked him to return today and bring Rats and bring money, and he certainly has done that with this generous contribution from the National Order of $6,500 total with the two memorials, $6,500, and we now find that this convention, that the National Service Foundation has received $33,900.

And it is true, of course, that one of the principal supporters to the Service Foundation over the years has been the National Order, and we greatly appreciate it. [Applause.]

Imperial Golden Rodent CARR. Before I forget, I would like to introduce at this time Imperial Golden Rodent Colman Hewett. I haven't taken this off yet because I wanted the honor of being before this convention. Colman Hewett, would you care to say a word.

Incoming Imperial Golden Rodent COLMAN J. HEWETT. It is an honor to be elected as the Imperial Golden Rodent, and I would ask each and every one of you that we go back to our chapters in our states and for the Disabled American Veterans and the National Order of Trench Rats, let us make next year the largest year we have ever had. Thank you. [Applause.]

National Commander MEADOWS. I will recognize Bob Dawson for a presentation. Bob.

Mr. ROBERT DAWSON. Thank you, Commander Meadows. I am Bob Dawson from the National Blind Chapter. We have here two checks, one for the Rehabilitation Fund and one for the Disaster Fund, that we would like to make this presentation to the National DAV on behalf of the Blind Chapter.

National Commander MEADOWS. We have two checks for $100 each. Thank you, Bob, so much for this generous offer. [Applause].

I would like to present to the convention a guest that we have that I think you will enjoy seeing, the national commander of the Legion of Valor, David Christian, formerly of Turnersville, Washington Township, Foster County, State of New Jersey.

There are some things I would like you to know about David. David was the most decorated American soldier in the Vietnam War, and was the second most decorated soldier in the history of American arms. He was commissioned at the age of 18, won the Distinguished Service Cross for his gallantry in action on October 29th, 1968.

He holds the Silver Star twice, the Bronze Star twice, the Air Force Medal, and the Purple Heart eight times, and the most important of all for some of us, the Combat Infantryman's Badge. He was a captain at 23, injured severely in the Vietnam War, and hospitalized for two years. After he recovered from his injuries and reentered—I don't know whether we can say rehabilitated. That is what it means to us—after he was rehabilitated, he has devoted himself to veterans affairs.

I would like you to meet this fine young man, David Christian, national commander, Legion of Valor. David. [Standing ovation.]

Mr. DAVID CHRISTIAN. Thank you. I have got to correct that a little bit. I was born in the great State of Florida. I was raised in the great State of Pennsylvania, and I did do my rehabilitation in the great State of New Jersey, so I feel as though I am just a country boy here.

I made a few notes, because I don't want to keep you too long. I would just like to tell you a little bit about myself in the past year. I just came in as the national commander of the Legion of Valor in, I guess about three weeks ago in Houston, Texas, and I was very proud of that.

I am the first Vietnam Era veteran to be a national commander of a congressionally chartered veterans organization, and I am very proud of that. [Applause.] One of the things I am most proud of is over the past year I worked with the U.S. Department of Labor in veterans employment, and I have grown to know the DAV a lot closer, and the DAV means an awful lot to me.

But over the past year I have got to go to testimonial dinners for your national commander at the Baker Hotel in Dallas. I got to meet P. D. Jackson from District 14. I got to raise some hell with some of the boys. I got to meet my commander from my State of Pennsylvania now, Martin Silver.

I got to meet my adjutant from our State. I got to meet the Trench Rats and some of your past commanders. I have hit Florida; I have hit Texas; I have hit Colorado. I spoke to your DAV state convention in Colorado, and I have always been warmly received.

This gives me a great deal of pride and honor because when I was in Valley Forge General Hospital in Pennsylvania, I was very scared and very lonely. Not only was I disabled, but my two brothers are Disabled American Veterans, and we didn't know a damned thing about anything.

So I looked towards the veterans organizations and the veterans organizations, the one that looked to me first was the DAV. They didn't ask any questions. I received a little plaque, and it was in an envelope, and it said, "You are now a DAV member." I was very proud of that.

They didn't ask me for any membership fees. I kind of paid that year's fees in blood, I guess. And I am proud of that most. I still have that little plaque, and it hangs home in my office. And so I want you to know that the DAV is dear to my heart.

Next, I would like to just give you a little bit about myself. My mother served in World War II with General MacArthur in the Philippines. When MacArthur was driven out of the Philippines, my mother then went to New Guinea and Australia and came back with MacArthur.

She met my father in the Philippines. They married and had three Christian sons who later went off to war in Vietnam. One never made it and was injured before going. The other two were injured in Vietnam. My brother Douglas spent four years there.

The DAV helped me, after coming back and being broken up in Vietnam, to find out about Title 38, to find out about Chapter 31, most important and dear to my heart, 34, 41, 42, 43. And it gave me the courage to help other people find out about these things, because we have got an awful lot of comrades out there that are broken, and they are hurting, and they want to be associated with somebody.

So if someone ever asks me what organization they can join and become close, I tell them if they are eligible, join the DAV. [Applause.]

Next I would like to address one issue. I hear it often said at conventions, both state conventions and all around, that we lost the war in Vietnam. Well, many people question the Vietnam veteran. Many people question the stigma attached to them, and I will tell you he is no different than the guy who wore knickers and went off to World War I, and the guy that walked with his family in the Depression lines in World War II. And the Vietnam veteran, just because he was raised by Dr. Spock's book, was no different.

The same type bullets hurt us as hurt everyone else. And I will tell you one thing, that it is time and the time has come that the politicians who created the wars, who created the veterans, now stand and be held accounted for. [Applause.] If anyone lost the war in Vietnam, it was the politicians.

We are not wind-up toys you can take off the shelf. When you take someone's son or someone's daughter and you send them off to war, and when they become broken, we are not a toy that you put back on the shelf. We are to be remembered. We fought the Japanese. We fought the Nazis. And now we have turned around, and we are taking care of the Japanese; we are taking care of the Nazis—not the Nazis, so to speak. We are taking care of Germany. We are taking care of Japan, and now we are thinking of renegotiating arms, not arms so much, but we are thinking of renegotiating an armistice, I guess you would have to say, with North Vietnam.

And I am saying before we take care of the other countries of the world, let's take care of those people who have taken care of our country, the great American veteran. [Applause.] I am sorry I get a little tongue-tied up here on my speech and everything doesn't come out right.

But rest assured, gentlemen and ladies, that as national commander this year of the Legion of Valor, I not only represent the Legion of Valor people in Washington, D.C. before the Congress and before the Senate, but I will be representing all veterans. And serving in my capacity in the U.S. Department of Labor, the Veterans Employment Service, I will be serving all veterans. And rest assured that when we come together, an old saying of Patrick Henry, "United we stand; divided we fall," and we are one tough group.

We will beat everyone else, and we will show the politicians we will put other politicians in if they don't take care of us. I thank you very much. [Standing ovation.]

National Commander MEADOWS. I certainly would like to add my own thoughts to those of David Christian's. He said that he expects as national commander of the Legion of Valor to represent all veterans. I personally deplore these ideas that veterans groups can be cut apart and set apart and that there should be programs for this and programs for that, one veteran, group of veterans out of war should pursue one course and another pursue another course.

It is wrong. There is the element of self-defeat dealt into it. The concept which we now have which motivates this organization, and that is if you are a war veteran, a service connected-disabled war veteran, regardless of any war, we are not interested in all the social and profound implications of the causes of these wars; we are only interested in the fact that Americans served in them, each under a different set of circumstances, served honorably, and were injured.

And we resist all attempts to divide us and set one group against the other, and I liked to hear what David had to say on that point. [Applause.]

The tables are still open. Cosgriff and I, I suppose will be walking around with our hand out until we check out of the hotel. We have another $100 here from the General McArthur Chapter Number 2 to be presented to the National Service Foundation. [Applause.]

Mr. P. D. JACKSON. Point of information.

National Commander MEADOWS. Mike 2.

Mr. JACKSON. Thank you, sir. P. D. Jackson, Buddy's Chapter Number 11. My point of information, to that outstanding distinguished young man, the national commander of the Legion of Valor, did he tell that audience that his other two brothers also, like him, are life members of the DAV. They are. [Applause.]

National Commander MEADOWS. If they are here, or whether they are here or not, I want to recognize and thank Dr. Harold W. Orr, the Veterans Administration doctor that has been with us who assisted us with any problems that we had. Dr. Orr. [Applause.]

Dr. Orr, we greatly appreciate your being with us, and we will even want you to do more than doctor us, so say something to us.

Dr. HAROLD W. ORR. It has really been quite a pleasure. I hope that we have been able to help those of you who sought our help, and it has been a rewarding experience for me, not only from a medical standpoint, but also from a personal respect, and that is being able to sit and chat with some of you on a social level and learning about some of your past and some of the various activities that some of you are involved in.

So it has been for me a very fruitful experience, and I am really happy that I was able to play a very small part in your what I hope was a very successful and fruitful convention. [Applause.]

National Commander MEADOWS. I would like to present to the convention the newly elected officers or the newly elected president of the Commanders and Adjutants Association, Jimmy Collins of Tennessee. Jimmy. [Applause.]

Mr. JIMMY COLLINS. It is a great honor for me to have been elected to this position. Our convention holds many surprises, and this is my greatest one. I would like to say that through my years being young has caused me to hold many positions in the DAV, and that has been my greatest downfall, but I am proud that the DAV doesn't go on age.

We have our Vietnam veterans and that is the reason our organization is well. And I am 100 percent for these men. I have never spoken on age any time throughout the United States in my visits, so we must work together and not as age groups. Thank you very much. [Applause.]

I do have a brief task. I must honor a great man that we all know and honor very much, P. D. Jackson. I would like now to introduce my officers: Vice-president, Leon Eskridge, Kansas; chaplain, Russell Henderson, Virginia; Executive Committeemen, Roy L. Mitchell, Alabama; Vernon Duke, Nevada; Jack Schwartz, Florida.

I am looking forward to working with these gentlemen and thank you for electing me to this great office. [Applause.]

National Commander MEADOWS. Will the sergeant at arms escort Harry Wentworth to the podium. [Applause.]

Mr. DARRELL CAMP. It gives me great honor to present to this convention the father of the organization, Harry Wentworth. [Applause.]

National Commander MEADOWS. I would like to bring Bill Dwyer, past national commander, for a presentation.

Mr. WILLIAM G. DWYER. I have the privilege and the honor today to make a presentation to a comrade of this organization, one of the founders, and in California we call him Mr. DAV, and I am sure you do throughout the whole organization of the Disabled American Veterans.

And I would like, if Harry will, to come up and stand alongside of me while I give a little resume of this presentation. Harry, a good friend of yours of many years in San Francisco did a little research work shortly before the convention. He went down to the Archives of the city transportation organization, and he went back in the records and found that you, at the tender age of 19, became a trolley car operator in the great City of San Francisco.

And, a couple of your peers who are still around said that at that time that you were an operator on horse-drawn cars. [Laughter.] I want to say that Harry demonstrated his leadership early in his career as a trolley operator and became a conductor. And, from then, that point on, Harry became one of the leaders in San Francisco.

And, just to digress from my subject, he became Mr. DAV Politician also, and if anyone wanted any legislation in the State of California, all you had to do was to call on Harry, and he twisted the arms of his Senators and Assemblymen in the San Francisco area.

But, Harry, my purpose today is to present to you your Operator's Plaque as a conductor of the trolley line that ran between Market Street and Cow Hall. Harry, it is my pleasure. [Applause.]

Mr. HARRY WENTWORTH. Thank you, Bill. You know, this is funny for the simple reason that yesterday or last evening I picked up the paper, and I see where they are having a Powell Street car probe because of stealing money. Hell, that is not new! [Laughter.] I was a streetcar conductor back in 1915 and 1916 during the World's Fair. I stole money then. [Laughter.]

They used to have cars that were open, you know, and they had the register on the inside, and if you went inside and locked the register and then pulled the pin, it wouldn't register, so you would stick the nickel in your pocket. [Laughter.] So I did. I had a lot of fun as a young guy around here.

And I am very happy to say that most of you that I have talked to seem to have enjoyed our City of Saint Francis. You know, we have always told you the weather is beautiful, and I hope that there are those of you who will concur that the weather has been beautiful.

This is our third convention in San Francisco. It was my pleasure in 1921 to be in Detroit and to bring the convention to San Francisco in 1922. We were then a well-recognized group because at that time—many of you, of course, who were not here don't remember it because you weren't even born, but the entire Pacific Fleet was in San Francisco at the time of our convention, and they were to leave the Bay the day before our parade.

We were then powerful enough that through Senator Sam Shortridge, to have the fleet stay one extra day so that they would all participate in our parade. And it was one of the most beautiful parades that has ever been staged within the city because it was all practically military.

And, of course, our parades were always led by the blind, with little girls dressed in white, and one little girl in between each blind man, which made quite a picture for the public.

Again, I had the pleasure of being in Cleveland in 1949 and again brought the convention to San Francisco, but I had nothing to do with bringing it here in 1978. You had an interim committee that brought it here, and we are most grateful that you have brought it to us.

So, this may be my last one because, after all, I am no baby, and I realize it. The time is getting short, and I know it is getting damned short. So, with those few words, I thank all of you for an apportunity to say hello to all of you. [Standing ovation.]

National Commander MEADOWS. This organization has been in business for over 50 years serving disabled American veterans. It will be in business 50 years from now, vigorous and performing the same fundamental and basic function if there are those among us in sufficient numbers that can dedicate their personal interest and efforts to this organization to the extent that Harry Wentworth here has.

The organization depends on the dedication of many individuals with real dedication, and Harry Wentworth's dedication is a good example for all of us. I thank you so much, Harry. [Applause.]

Mike 3.

Ms. Tomme Ruth Pierre. Tomme Ruth Pierre, District of Columbia. I have been coming to the convention for many years. I have always enjoyed the National Commander's Banquet. But from observation, I do hope that when we go to Boston in 1979 we will have a system for us going to the tables.

From observation for the last many years that I have come, I have noticed that we go to the table, and we stand around the table for hours just eating, standing there; you can't even pass. I would like to make a suggestion, sir, that in 1979 we would have a system where on each side of the table we have the same thing.

Why don't you have lines, two lines moving at the same time, one at one end of the table, one at the other, and like that you will have the lines completely moving and not for us standing at the tables all over.

The reason I am bringing it to your attention, I just left a national convention in Philadelphia, and that was the system they had and it worked beautifully, and we all were served and not have to wait so long. So, sir, will you please take this into consideration and think of a plan for us in 1979.

You spend so much money for the National Commander's Banquet, but look what happens. When we leave, what do we say? "My, what a mess!" [Applause.]

National Commander **Meadows.** We welcome your suggestion, and we receive it in the spirit in which it was offered. It is very important that these conventions be designed fundamentally for pleasure and the comfort of the delegates that come here from all over the country. I will certainly take it upon myself to urge those that are in charge of the arrangements to give your suggestion thought.

We do have to give a considerable amount of thought as to how to put on the best convention with our limited resources, and it is important that we think about matters as you have discussed.

Mr. Joseph R. Harold. Mike Number 1.

National Commander **Meadows.** Mike 1.

Mr. Harold. Harold, Boston 10. It is my understanding now that there is no other committee report to be made except the Committee on Nominations, and at this time I move that Rule 24 be suspended so that we can go into the report of the Committee on Nominations and also the election of officers.

National Adjutant **Adams.** Joe, we have to have the Credentials Committee report.

Mr. R. J. Patterson. R. J. "Pat" Patterson would second Joe's motion.

National Commander **Meadows.** Will you suspend—I believe the motion is out of order.

Mr. Harold. Well, Mr. Chairman, the motion would be, but I dropped out to suspend the rules and that the final report of the Credentials Committee and a report of the Committee on Nominations would be at this time rather than wait until 10:30.

National Commander **Meadows.** Do I hear a second?

Mr. Patterson. Comrade Commander, R. J. "Pat" Patterson seconds the motion.

National Commander **Meadows.** Mike 3.

Mr. Marvin Silver. I am going to rise to a point of personal privilege. I would like to second that motion. Martin Silver, department commander of Pennsylvania. I want to—before we second that motion, I want a point of personal privilege.

National Commander Meadows. All right, proceed.

Mr. Silver. This morning I had the pleasure of hearing our department mentioned and my own name mentioned by the good commander of the Legion of Valor, Dave Christian. And, to add to P. D. Jackson's statement, his two brothers and himself are now life members of Chapter 117, Department of Pennsylvania, and we are glad to have them.

Secondly, the other day when I took the pleasure of receiving the check for our department for the membership award, I forgot to thank our good national service officers for all the good work they did on membership.

The third thing is I have a little report here. The Department of Pennsylvania is honored. We don't challenge anybody, but we have—we pay homage to them—for four national organizations, for National Disabled Veterans of the Year. This year we had the pleasure of having Dave Wenzel and also the City of Scranton is lucky to have two members, to have those individuals be members of their community.

He was sitting here all along, and unfortunately he never received a credential. He is here this morning. I will give him his official credential and he can be a voting member and not just a VIP guest of this organization. And he is back here, and I am glad to have this honor to give him, to make him a voting member of this great organization. Thank you. [Applause].

National Commander Meadows. We offer our congratulations to the Department of Pennsylvania for producing these fine young men which have earned the designation as Veteran of the Year and certainly are an inspiration to all of us.

Mike 2. We have a second here? Mike 1. All right, we have a motion and a second before the body. Do you rise to speak to the motion?

Mr. Lou Blakely. Lou Blakely, junior vice-commander, Department of Arizona, seconds that motion.

National Commander Meadows. We have a motion and a second to suspend the rules of the convention so that we may proceed with the report of the, the final report of the Credentials Committee. All in favor, signify by saying Aye; all opposed. Then the rules are suspended, and I will recognize the chairman of the Credentials Committee, John Shea.

Mr. John Shea. Thank you, Commander. At this time I will have the secretary of the committee read the final totals, Gene Twiford.

Mr. Gene Twiford. Comrade Commander, this is the final report and reflects the total registration as of 10 a.m., August 17, 1978. At the present time we have 556 chapters registered, 44 departments, 18 national officers, 12 past national commanders, for a total of 1,393 delegates and 79 alternates, for a total vote of 6,651. This completes the report of the Credentials Committee, Comrade Meadows.

Mr. Shea. Thank you, Gene. The committee would like to thank the national staff, our adviser, Boniface Maile and the following: Gene Hoffman, Bob Williams, Bob Whitmore, Dick Wilson, Sandy

Buchanan. Due to the assistance of the above-mentioned people, there is for the first time that I can ever recall no deliquent departments or chapters at this convention. [Applause.]

Also I want to thank the delegates and alternates who worked on this committee. I want to especially thank the secretary, Gene here, for the work that he has done for the past five years on this committee.

At this time I would like to announce that any questions on the voting or the registration of any delegate or any delegation, all questions will be answered by the staff or myself. This is the final report of the Credentials Committee, and I move for its adoption.

Mr. James E. Tillman, Jr. Commander, mike 3, please.

National Commander Meadows. Mike 3.

Mr. Tillman. Commander Meadows, I had the great honor of serving on that committee. I highly recommend that they have a vote of thanks for a job well done, and the person that kept the things down where before you could register you had to pay the bill and that kept it down.

And with a vote of great thanks of James Edgar Tillman, Jr. of the Blind Chapter serving on that committee, I am very proud that I could serve the comrades for what I like to do.

National Commander Meadows. Thank you. Mike 2.

Mr. Downey. Comrade Commander, Commander Downey, from the great District of Columbia, seconds that motion.

National Commander Meadows We have a motion and a second to accept the report of the Credentials Committee. Those in favor, signify by saying Aye; those opposed. The motion carries. Thank you so much, and we do discharge you with our thanks, Chairman Shea. [Applause.]

We have suspended the rules and can proceed with the next order of business which is the report of the Committee on Nominations of National Officers. I will recognize at this time for the presentation of the report, the chairman of the Committee on Nominations for the National Officers, Harry Wentworth.

Mr. Wentworth. Comrade Commander and comrades: Your Nominating Committee in my opinion—and, of course, that doesn't amount to much sometimes—but in my opinion the Nominating Committee is one of the most important committees of this convention, because they select or recommend to you the men that are going to represent you in the Halls of Congress during this coming year.

We have for many years endeavored to give to you what we think are the people who can do the most good to represent you. This year we are recommending a ticket this year that we feel will be of great value to the Disabled American Veterans. Last year I might say that when I first talked to some of our people, the name of Oliver Meadows was mentioned, and I was a little reluctant in accepting the name of Oliver Meadows as the national commander.

But I must admit and all of you should feel that in having Oliver Meadows at the head of our organization during this past year was the most wonderful thing that could have ever happened to the Disabled American Veterans, believe me. [Applause.]

And, Oliver, I am not saying that as a seconding speech for you to run again, either. [Laughter.] But I do really feel that if any of you have missed reading during this past year Oliver's remarks in our national magazine, you really missed something. Go and get them because Oliver struck the nail on the head in every instance.

I don't think anybody could have gone back into history and answered the present Administration in any department that you want to mention, especially that HEW—you can take them and do what you want with them. [Laughter.] I think Oliver has done a marvelous job and, Oliver, from my standpoint I want to thank you for your efforts and your time. I hope you live for a long time to be with us and consult with us, too.

Now, then, the committee has a good secretary. He is a Pisano, and, of course, I here in San Francisco have been associated with the Italians for a long time, and I would like to present the secretary of the committee, an Italian by the name of James Pellegrini, to read the report. [Applause.]

Mr. JAMES V. PELLEGRINI. Commander, and particularly Harry Wentworth, whom I have worked with for the last 22 years—and I really enjoyed your tutorship, Harry, and I hope to see you for many more years in the future. This is the national convention report of the Committee on Nominations for National Officers for the year 1978–79, Disabled American Veterans' convention held in San Francisco, California.

Representatives and delegates to this convention were as follows: District Number 1, Joseph R. Harold; alternate, Horace G. Still. District Number 2, Nicholas Cachianes; alternate, Frank Randazzo. District Number 3, Marvin Silver; alternate, Robert L. Hedstrom. District Number 4, Emanuel Orenberg; alternate, Jesse Brown. District Number 5, John C. McCarthy; alternate, Emmet Gore, Jr.

District Number 6, James E. Durham; alternate, Billy R. Black. District Number 7, Jack O. Hicks; alternate, Kenneth Robey. District Number 8, James V. Pellegrini; alternate, Pops La Fray. District Number 9, John K. Benoit; alternate, Hubert Rednour.

District Number 10, John R. Merthan; alternate, Merle D. Wilmes. District Number 11, Ray Bailey; alternate, Paul Bagley, who was also our sergeant at arms. District Number 12, Harry E. Wentworth, our chairman, alternate, William E. Berry. District Number 13, Jeanne McLeran; alternate, Ernest French. District Number 14, William O. Cooper; alternate, Paul Wrenn. Blind Veterans, Walter Rohr.

The initial meeting was called to order on August 14, 1978 at 8 a.m. by Committee Adviser Harry Wentworth. All delegates and alternates were present or accounted for. The next order of business was the election of a chairman. A unanimous ballot was cast for Harry Wentworth as chairman.

The next order of business was the election of a secretary, and there was also a unanimous ballot cast for James Pellegrini. The meeting was recessed at 9:30 a.m. to be reconvened on August 15, 1978 at 9 a.m. to hear the candidates and interview them.

The following candidates appeared at the Nominating Committee session on the 15th: From the 11th District, Billy O. Hightower from the 11th District, Reverend Thomas J. Meersman; from the 4th District, Paul Thompson: from the 8th District, Boniface Maile; and 8th District, Thomas Tomlinson; 9th District, Stan Pealer; 12th

District, Sherman Roodzant, 12th District, Jim Murphy; 5th District, Odell Vaughn; and the 2nd District, Ed Galian.

The committee, after having interviewed all of the candidates, went into recess until August 17, 1978, at 8 a.m. for the purpose of interviewing additional candidates. None being present this morning, the committee went into deliberations on the recommendations that we will make.

Credentials and résumés were read on all candidates and reviewed and personal interviews had previously been conducted on behalf of all the aforementioned candidates. The committee then went into executive session, and we present this recommendation to the national body, the delegates, and the offices and officers are as follows:

For national commander: Billy O. Hightower; for senior vice-commander: Paul L. Thompson; for 1st junior vice-commander: Stan Pealer; for 2nd junior vice-commander: Sherman Roodzant; for 3rd junior vice-commander: Ed Galian; for 4th junior vice-commander: Odell Vaughn; for national judge advocate: Boniface Maile; and for national chaplain, Rev. Thomas Meersman.

Our thanks to our adviser and chairman, Harry Wentworth, and, of course, all the members and alternates of the committee who have signed this report, and this will be turned in. This, Commander, completes our report on nominations, and I move the adoption of this recommendation and report.

Mr. Downey. Comrade Commander, Commander Downey from the District of Columbia seconds the motion.

National Commander Meadows. Our Bylaws provide that nominations may be made from the floor. We have a motion and a second that we accept the report of the Committee on Nominations and discharge the committee with our thanks. Let me emphasize now that the adoption of this report does not preclude further nominations from the floor.

It is simply an adoption of the report of the Nominations Committee. We have a motion and a second for the adoption of the report.

Mr. Joseph Harold. Harold, Boston 10. That should be we should receive the report instead of adopting the report, Commander.

National Commander Meadows. It is understood that we will be receiving the report of the National Nominations Committee. We have a second. Is there further discussion? Mike 2.

Mr. Jackson. Mike 2. I call for the question and allow me to be recognized for information.

National Commander Meadows. The question is on the motion. All those in favor, say Aye; those opposed. The motion is carried. The report is accepted. The committee is discharged with our thanks. Mike 2.

Mr. Jackson. I just want to call on my good friend, the department adjutant of Massachusetts, that we have suspended the rules and if we should happen to go into a roll call, I want the point of information that that roll call be not interrupted until the 11th, 12th, 13th, and 14th Districts and the Blind Veterans have a chance to vote.

National Commander Meadows. Let me say to the delegates that should we be confronted with that situation, while anticipating the previous remarks, we will proceed with the vote in accordance with the Constitution and Bylaws. [Applause.]

The Chair will now call for any further nominations for the office of national commander.

Mr. PETER L. DYE. Comrade Commander, Dye, delegate from Denver Number 7, requests permission to come to the platform to make a nomination.

National Commander MEADOWS. Proceed. While these gentlemen are proceeding to the podium, I call for the second time, are there any further nominations for national commander? For the third and final time, are there any further nominations for the office of national commander?

Mr. JACKSON. Comrade Commander, I move that nominations cease and that Billy Hightower be elected as the next national commander.

[Cry of "Out of order."]

National Commander MEADOWS. I have recognized the past national commander and invited him to the podium, and I will recognize him now, Peter Dye. [Applause.]

Mr. DYE. Thank you, Comrade Commander. Comrade Commander and delegates: I am not going to unduly occupy your time here. I want to name a man here for your consideration for national commander of this organization who is well known to all of you.

You have received his history in the form of his brochures. You have heard him speak to you in your own area as well as here. He is a man that we can all respect and honor. He will effectively lead us in the year to come. In the interest of brevity, I simply want to share with you the experiences that I have had with this man in my own state where he happens to be from.

He has led his own chapter in a distinguished way, bring them from relative uncertainty to be an effective voice in the activities of this state. He is a distinguished leader in the state, department commander as well as other offices he held in the state.

He has also distinguished himself as a national officer this last year, traveling about the country representing this organization and rather effectively demonstrating the, let's say the image of the younger veteran, not the youngest, but the younger veteran; younger than I am, anyhow.

My comrades, it gives me a great deal of pleasure to place in nomination or add to the nomination made by the committee, the name of Billy O. Hightower, as your commander for the year to come. Thank you. [Applause.]

Mr. JOSEPH EVANOSKI. Mr. Commander, I am Joseph Evanoski of Chapter 7, Department of Colorado. It is a great honor and a personal privilege for me to have this great honor to second the nomination of Billy O. Hightower who is committed to capably serve you in the capacity as national commander of the Disabled American Veterans. Thank you. [Applause.]

Mr. HAROLD F. TOMLIN. Harold Tomlin, department commander of the State of Colorado. It is an honor to second that motion.

National Adjutant ADAMS. Comrade Commander, Adams, Chapter 16, Pontiac, Michigan, moves that the rules be suspended and that Billy O. Hightower be elected by unanimous consent.

National Commander MEADOWS. Do I hear a second?

Mr. JACKSON. Mike 2 seconds the motion with the understanding that the national adjutant cast a unanimous white ballot.

National Commander MEADOWS. The motion has been made and seconded that the rules be suspended, and we elect by unanimous consent Billy O. Hightower as national commander. [Applause.] If there is no further discussion, on the question: Those in favor, signify by saying Aye; those opposed.

[One cry of "No" from the audience.]

National Commander MEADOWS. Your brother-in-law is here. [Laughter.]

National Adjutant ADAMS. Comrade Commander, I, Denvel D. Adams, national adjutant of the Disabled American Veterans, hereby cast one unanimous white ballot for Billy O. Hightower for the office of national commander. [Standing ovation.]

National Commander MEADOWS. You have now elected a new national commander for the ensuing year, Billy O. Hightower of Colorado, and it is with great pleasure that I present him to you now. [Applause.]

Senior Vice-Commander HIGHTOWER. Thank you, Pete, Harold, and Joe for those kind words. Commander Meadows, fellow officers of the DAV and delegates to the 57th Annual Convention, National Convention of the Disabled American Veterans: I don't think anything I could say would adequately express the happiness I feel in my heart or the gratitude I feel toward each of you.

In electing me as your national commander, you have entrusted me with the greatest responsibility of my life. It will be an immense privilege to serve you. I wish I could thank each of you personally for the confidence in me that you have expressed. You have given me one of the happiest moments of my life today, a moment that I will never forget.

I would also like to thank you for electing such a fine slate of officers, whenever the final vote is taken, to serve with me during the coming year. You have my promise that we will all work together to produce a record of accomplishments that will make all of us proud to be members of the Disabled American Veterans. [Applause.]

I would like to thank my campaign manager, Leon Bailey, his committee, Paul Bagley, Ray Bailey, Joe Evanoski, and Sam Vigil and the numerous volunteers who did an outstanding job for me. In addition, I would like to express my appreciation to my employer, Mesa College, Grand Junction, Colorado, which has granted me a leave of absence for the next year so that I might fulfill the responsibilities that you have laid before me today.

Finally, there is one man to whom I owe a very large debt of gratitude, and that is our national commander, Oliver E. Meadows. For a quarter of a century Oliver has been the nation's foremost leader in the world of veterans affairs. He was one of the finest leaders the DAV has ever had.

We are truly fortunate to have the opportunity to take advantage of his leadership during a time of so many threats to the rights and benefits of disabled veterans. In a way I feel very humble to follow a man of such stature as the national commander of the Disabled American Veterans, but I also feel very confident because Oliver's leadership has provided the groundwork that will be of great value during my term in office.

Commander Meadows has consented to make himself available to us in the DAV in a consulting capacity in the future, and I feel even more encouraged about our ability to handle the troubled times ahead, knowing that we can count on Oliver's keen intelligence and experience. [Applause.]

As all of us in this room know, the experience of war has a profound effect on an individual, making him different in many ways from those around him. The past few years, as I have worked toward this moment, I spent some time thinking about my military experiences during the Korean War Era and how they helped me form the person I am today.

I am reminded of General Douglas MacArthur, a man who led our Armed Forces during the heaviest fighting in Korea. He was a man of incredible integrity, and whether one agreed with MacArthur or not, his name always commanded respect. He was a man of principle.

This was never more clear than when he stood before a class of military cadets, urging them to live their lives according to three powerful ideals: duty, honor, country. Certainly these are ideals that have motivated our great military leaders. They are ideals that apply to you and me as members of the Disabled American Veterans.

Consider the spirit of patriotism that is implied in the word "country." Each of us in the DAV knows how important it is for people to feel a dedication to values larger and more important than our own individual interests. We understand the need to love our country and the need to work for our country by promoting the well-being of all disabled veterans and their families.

"Honor" is another word that strikes very close to our hearts. Honor is that feeling of certainty that we have done our part to keep our country free, independent, and prosperous, and it is the knowledge that we continue to serve our people by fighting for justice for men and women disabled in defense of our homeland.

And finally, "duty." I know of few words—I know of few people who have a more clear-cut sense of duty than the members of the Disabled American Veterans. We did our duty when America called us to arms and all of us made sacrifices for our country. Some made sacrifices so great that they are completely beyond the comprehension of most of the country's people.

Today during peacetime, we continue to do our duty, assisting America's disabled veterans and their families and protecting the rights that disabled veterans have earned through their sacrifice for our nation and its people.

Let me say something personal about myself, something I hope you will appreciate. I grew up in the hilly, rural country of Western Kentucky, and if there is anything that people there value it is straight forward honesty, so I am going to be very straight forward with you about how I see the duty of all of us in the DAV during the coming year.

You know the challenges we face. We have go to do something about the staggering unemployment suffered by disabled veterans. We have got to protect veterans preference, the only veterans job program that has ever really helped disabled veterans.

We will have to protect veterans programs from severe budget cuts during the coming year, just as we protected them this year. And we face the difficult challenge of bringing the quality of medical care given to disabled veterans up to a level that can be called second to none.

We must make sure that the present Administration understands that the nation's first obligation is to the men and women who suffered service-connected disabilities. And we must defend the VA hospital system from the greedy clutches of HEW, the way we protected the VA education compensation and pension programs from HEW incursion.

I can honestly say that I have never seen a time when so many badly needed veteran programs were under such intense attack. I suppose we can only compare it to the 1930's when the government leaders attempted to strip veterans of their benefits in the name of economy.

We have a duty to keep the public and the officials they elected aware of the sacrifices disabled veterans made for their country. We must make them sensitive to the needs our disabilities have created, and we must never allow them to forget that we earned the benefits that we enjoy.

We are not welfare recipients, and we never will allow ourselves to be classified as such. [Applause.]

There is an enormous need today to do something about the plight of the Vietnam veteran. For too long these veterans have been considered and used as scapegoats for an unpopular war. We must tell the American people how unfair this is. The veterans of Vietnam didn't start the war they fought.

They simply answered their country's call to duty the same as the veterans of World War I, World War II, and the Korean Conflict. The veterans of the Vietnam war did their part just as heroically as veterans of the previous wars, and they deserve this nation's gratitude, not its condemnation.

Yet condemnation is the only word I can find to express how the public has treated the Vietnam veteran who came home to a VA hospital system that simply wasn't prepared to meet his needs, who has suffered the most for the government's failure to improve the employment opportunities for disabled veterans, who will be hurt the most if the present Administration succeeds in ruining veterans preference, who came home to a public that didn't seem to care and was sometimes even hostile to them.

The disabled veteran of the Vietnam War has borne the brunt of all of these abuses and many more. I am proud to say that our organization funded the first major psychological and social study of Vietnam veterans. A number of problems were uncovered during this research, and we will submit our recommendations to the proper government agencies early in my administration.

Along this same line, however, I was somewhat amazed to learn that the VA is finally getting around to looking into these problems. They are planning a study that will essentially duplicate the one we have just now finished. But in my opinion, the time for the VA to start doing studies is long past.

Now is the time for action. If something isn't done soon for those most severely affected by their partcipation in the Vietnam War, it will be too late to help many of them. Time is running out. The Vietnam veterans aren't the only group of veterans that may become the victims of apathy.

Just look at how the Administration attempted to cut back the VA hospital system at precisely the time when the medical needs of World War II veterans are increasing, and the veterans of the Korean War are just a few years behind the veterans of World War II, so we can expect the demand on the VA health care system to grow rapidly over the next several years.

Now is certainly not the time for the government to cut back on medical care for veterans. What I am saying is that no group of veterans is immune to the anti-veteran atmosphere that grows day by day in our nation's capital. If erosion of the rights of any group of veterans is allowed, it will promote the erosion of the benefits earned by all groups of veterans.

We are all in this battle together, and we will fight to win. Our success will require a strong and growing membership. Our membership has now reached 575,000, and I am sure that we will sail past the landmark of 600,000 in a matter of just a few months, reaching 625,000 easily by the end of my year in office.

I think we will accomplish this because there has never been a time in most of our memories when the DAV and America's disabled veterans have needed each other more than they do today. I am therefore setting a goal of 625,000 members as one of the foremost objectives of my administration.

This goal is realistic, and I know that we will meet it. Remember, our benefits come from legislators and legislators respond to numbers. Numbers translate into votes.

In closing, let me tell you once again how honored I am that you have chosen me as your national commander. I pledge that I will do my best to represent your interests in the strongest, most effective way. We have a strong effective administrative staff, the Membership Department, the Legislative Department, service officer corps. All we need to do now is to move forward with it.

I thank you from the bottom of my heart for the trust that you have placed in me. At this time I would like for you to meet my wife and family. [Standing ovation.] My wife, Frances; my Number 2 daughter, Donna; my Number 3 daughter, Beth.

National Commander MEADOWS. You have just participated in and have witnessed the landmark episode in the life of this organization. We have had a lot to say over the years about our determination to see that this organization keeps up with the times, that it is made available to younger members, members of the most recent wars.

You all know that we have been quite successful in putting together a large staff of Vietnam veterans serving as our service officers across the country, 80 percent of our field force, that we have a youthful staff in our Washington Office, and many of our key spots in Cincinnati; and you have participated here today in electing a young man who served in Korea, a man that we placed on the threshold of leading this organization along and keeping it dealing with the times.

We will now proceed with any further nominations for the office of national senior vice-commander. Mike Number 3.

Mr. JOHN T. SOAVE. For the purpose of a nomination, may I come to the podium?

National Commander MEADOWS. Yes, you may proceed, please.

Mr. SOAVE. Thank you, Comrade National Commander, Commander-Elect. My name is Johnny Soave, past national commander, Department of Michigan. I rise for the purpose of nominating a man who just five years ago stood before you and nominated me as national commander.

It is a great privilege to nominate a man who has done a great job in the State of Michigan as a chapter officer and as a department officer. And when I was in trouble as a department commander and needed an adjutant without pay, I was free to call upon this gentleman to serve as adjutant for that one year.

I tell you, ladies and gentlemen, here today, several, that we need leadership, and there is no way in the world that we try to say that the slate of officers presented to you are not well-qualified gentlemen. We think they are all well qualified. We feel that the Nominating Committee did a fine job, but we are also very adamant in our position that we need great leadership, that the man that I place in nomination is a fellow who served in two wars.

He served in World War II, and he served in the Korean War. The man I give to you today is a gentleman that I have known. The man is a neighbor of mine, and a fellow I know you will be proud to have as your senior vice-commander, and hopefully, eventually, national commander.

I give to you Thomas L. Tomlinson, our present first junior vice-commander. Thank you. [Applause.]

National Commander MEADOWS. The name of Thomas L. Tomlinson has been placed in nomination. Is there a second?

Mr. JACK FEIGHNER. Commander, Feighner from Chapter 80, Texas, would like to approach the podium for a seconding speech. My fellow delegates, it is a distinct pleasure for me to stand before you for the purpose of seconding the nomination of Thomas Tomlinson. I have known Tommy and his wife, June, for better than 20 years.

There is no individual on our present slate of officers that has a greater degree of personal integrity and administrative ability and the qualifications that are necessary for the leadership of this organization. I am an individual that believes in orderly progression.

In Las Vegas I was tremendiously proud of this organization. I thought we elected a slate of candidates that was equal to none other that I have seen in my 30-some years in the organization. We had a balance of age and youth and of all other factors that make a tremendous slate of officers for the organization.

I believe that Tommy Tomlinson has paid his dues in this organization in his leadership and his qualities and his abilities in his home state. He has shown his ability as a national officer of this organization. I know that this is coming down to the eleventh hour and that you feel you already have commitments, but I ask, and I ask because I have lived and worked in six of these 14 districts of this organization throughout the country, that you pause and reflect in this election, which is not particularly between individuals but for the principle of wanting to demonstrate the leadership abilities of this organization that you move forward.

And while it was said basically for a sport, it is just as equal and right and it is just as equal and right here: It is not a matter of whether you win or lose, it is how you play the game. I ask your support for Tommy Tomlinson. [Applause.]

National Commander MEADOWS. The name of Tommy Tomlinson has been placed in nomination. Are there further nominations? Mike 3.

Mr. CLAUDE L. CALLEGARY. Past National Commander Claude Callegary from Baltimore.

National Commander MEADOWS. We recognize you.

Mr. CALLEGARY. May I first congratulate Commander Hightower. I want to congratulate the members present here, delegates for this convention for the work that you have done before these nominations and elections today. You are the heart and soul of the Disabled American Veterans.

I have not stood before you at any other time to nominate any other candidate for national office in the Disabled American Veterans. The Disabled American Veterans assembled here in San Francisco have a unique opportunity to elect a fine, competent, and capable national officer to the position of senior vice-commander, Paul Thompson.

Paul, would you stand. [Applause.]

Paul Thompson was in the service and retired, over 25 years. He is a soldier. He has been department commander of the State of Maryland. He has been one of the best department commanders of the State of Maryland that we have ever had with all due respects to the department commanders who are sitting over here to my right.

Paul Thompson has also served on the Maryland Veterans Commission of which I am chairman. He is one of the members of my commission designated by one of the Congressmen of our state to serve on that commission at least four times a year.

In that capacity within my own state, Paul has dealt with Congressmen, the Senators, and the problems of our state. I would not be before you here today under any circumstances if I did not believe that he would carry out the duties of the senior vice-commander of the Disabled American Veterans because I realize that Oliver Meadows, Billy Hightower, and the other national commanders that are on this stage and in this audience, we realize the tremendous responsibilities that you placed on us as national officers, that you placed on us as national officers to carry the burden of five hundred, six hundred thousand disabled veterans.

If you elect Paul Thompson senior vice-commander of the Diasbled American Veterans of the United States of America, you will be proud that he is in that office, and you will probably want to advance him, and I hope you would want to advance him to some other office, and I am proud to present to you my friend, my comrade, Paul Thompson from the State of Maryland for senior vice-commander. [Applause.]

Mr. JESSE BROWN. Jesse Brown, Department of Maryland, request permission to approach the podium for a seconding speech.

National Commander MEADOWS. Proceed.

Mr. BROWN. Mr. Commander, delegates, I am pleased to second the nomination of a man of substance, a man of integrity, a man of honesty, and most of all, a man of executive ability for one of the most important positions of this great department, this great organization. I am sure that all will agree that your national representatives must be capable and be a person capable of being personal. He must be a person sensitive to the needs of this great country; and most of all, he must be a person capable of executive ability.

I know such a man, and I would like to introduce him to you. While his roots are deeply entrenched in his home state, the State of Maryland, where he has worked, lived and raised his family, while Maryland may be his home, the DAV is his heart.

He is a member of Chapter Number 1. He has served as department commander, and there are many other committees and responsibilities that have been delegated to him by the national organization from which he serves. In any event, it would be redundant for me to repeat all of them for I believe that you, my friends, have perional involvement with him in his effort to promote the welfare of this department.

Your efforts and his efforts collectively I believe can be summarized as that of being successful. Successful, that is what you have been; that is what he is. He is a man who understands people; he is a man who understands the mechanics of the business world.

I believe that it is our responsibility as the keeper of this organization's business affairs to consider only the best, and I believe that we have the best candidate, Paul Thompson, and I am very pleased to second that nomination. [Applause.]

National Commander **Meadows**. The name of Paul Thompson of Maryland has been placed in nomination for the office of senior vice-commander. Are there further nominations? Are there further nominations for the office of senior vice-commander? If I hear none, under the rules of the Constitution and Bylaws of the organization, a roll call is automatic.

It will be necessary to recess for 10 or 15 minutes while we place the machinery in place for the rollcall. We will stand in recess for 15 minutes.

[Whereupon, a 15-minute recess was taken.]

National Commander **Meadows**. Delegates will you resume your seats.

National Adjutant **Adams**. Comrades, before I go into the rollcall, I would like to remind you that we have two candidates with similar names, and it is going to be difficult for me to hear you and you to hear me if we don't have the noise level down.

Now, the candidates' names are Paul L. Thompson and Thomas L. Tomlinson. So remember that when you are announcing your vote.

National Commander **Meadows**. The matter before us is election of the national senior vice-commander. As the adjutant has announced, we have two candidates, Paul L. Thompson of Maryland, Thomas Tomlinson of Michigan. The rollcall is automatic. I will recognize the national adjutant to proceed with the rollcall.

[Whereupon, a rollcall vote was taken by National Adjutant Adams for the election of the senior vice-commander of the Disabled American Veterans.]

AS OF JUNE 30, 1978

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	ALABAMA					
1	Tuscaloosa (R)	172	4		4	
2	Albertville	64	2			
3	Lizard State	106	2			
4	Birmingham	394	9			
5	Fayette County	38	2			
6	Klug Smith	47	2			
7	Shehan Pake	218	5			
8	Demopolis	61	2			
10	Taylor	133	4			
11	W. B. Hendrix	166	4			
12	Montgomery (R)	587	13		13	
13	Alexander City	110	3			
14	Tuskegee	11	1			
22	Coley Slater	180	5			
24	Anniston	237	6			
26	Huntsville (R)	369	8		8	
33	Chilton	44	2			
38	Arthur B. Kossow	160	4			
40	Barbour County	110	3			
41	Andalusia	86	2			
42	Sylcauga	23	1			
45	Arnold Byers	47	2			
51	James L. Daniel	110	3			
53	White Lee	308	1			
55	Wyman D. Nelson	58	2			
61	William H. Vest	143	4			
63	Muscle Shoals	179	5			
64	Rayford Atwood	115	3			
66	R. George Isaacs, Jr.	140	4			
67	Butler County	39	2			
68	Lamar County	26	2			
69	Mobile	71	2			
70	Col. C. E. Young	122	3			
72	Andrew G. Faulk	28	2			
73	James P. Brown	64	2			
74	Phenix City	39	2			
75	Gadsden	181	5			
76	Cullman	140	4			
77	Jasper	68	2			
78	George Washington Carver	39	2			
79	Calera	15	1			
80	Cottondale (R)	186	5		5	
82	Bridgeport	42	2			
83	Childersburg	43	2			
84	Irvington	79	3			
85	Brewton	39	2			
86	Sheffield	79	3			
87	Dothan	175	4			
88	Joe Henry Malone	18	1			
89	Oxford	9	1			
91	Munford	15	1			
92	Crenshaw County	23	1			
93	Guntersville	45	2			
94	Wiregrass	171	4			
95	Twin Cities	119	3			
96	Bay	45	2			
	Department		1		1	
	Total	6,336	181			
	ARIZONA					
1	Phoenix (R)	2,136	44			44
2	Cactus (R)	744	16		16	
3	Flagstaff	28	2			
4	Tucson (R)	308	7		7	
5	Sunshine State	95	2			
6	Caca Grande	105	3			
7	Stanfield (R)	82	3			3
8	Tri-City (R)	572	12		9	3
9	Show Low	25	1			
10	Kingman (R)	88	3			3
11	Louis Levey	243	6			
12	Douglas	43	2			
13	Payson	24	1			
14	Fry	73	2			
15	Marana	33	2			
16	Prescott	330	8			
17	Mount Graham	21	1			
18	Rincon Renegades (R)	739	16			16
19	Maryvale	132	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	ARIZONA—Continued					
20	Glendale (R)	69	12		12	
21	Riviera	20	1			
22	Scottsdale (R)	191	5		5	
23	Verde Valley	104	3			
24	Sun City Star (R)	112	3			3
25	Fort Verde (R)	88	3			3
26	San Pedro Valley	61	2			
27	London Bridge	92	3			
	Department (R)		1			1
	Total	7,058	168			
	ARKANSAS					
1	Fort Smith (R)	401	9		9	
2	Lewis Carr	81	3			
3	Fayetteville (R)	288	7		7	
4	Bear State	200	4			
5	Hot Springs (R)	421	9		9	
6	Boone County (R)	308	7		7	
7	Greater Little Rock (R)	1,883	39		39	
8	Nashville	198	5			
10	John H. Dunn (R)	276	7		7	
11	Warren	120	3			
12	Pine Bluff (R)	203	5		5	
13	Morrilton	226	6			
16	Springdale	210	5			
17	North Little Rock	109	3			
22	Prairie County	27	2			
23	Carroll County	66	2			
24	Paragould	101	3			
26	Jonesboro (R)	275	6		6	
27	Simpson Turner	184	5			
28	Clark County	61	2			
29	Malvern	66	2			
30	Twin Lakes	113	3			
32	Bruce Kimbrough (R)	327	8		8	
33	Camden	138	4			
34	Newport (R)	195	5		5	
35	Fifty-six	42	2			
36	Marion County	60	2			
37	Crittendon County	82	3			
39	The Paris	124	3			
40	Edwin L. Cripe	167	4			
41	White County (R)	171	4		4	
42	Alma	66	2			
43	Blytheville	114	3			
44	Crowley Ridge	49	2			
45	Hope	23	1			
46	Ouachita	143	4			
47	El Dorado	115	3			
48	Cossatot (R)	60	2		2	
49	Magnolia (R)	40	2			
	Department (R)		1		1	
	Total	7,733	192			
	CALIFORNIA					
1	Homer Blevins (R)	603	13		13	
2	San Diego (R)	3,767	76		76	
3	San Francisco (R)	1,604	33		33	
4	Sequoia (R)	200	5		5	
5	Los Angeles (R)	1,914	39		39	
6	Sacramento (R)	830	18		18	
7	Oakland (R)	828	18			
8	Alameda	88	3			
9	Jack Ford, Jr. (R)	331	8		8	
10	C. P. Wright (R)	485	11		11	
11	San Jose (R)	1,049	22		22	
12	San Bernardino (R)	363	8			
13	Camp Kearney-Van Nuy (R)	888	19		19	
14	Sgt. M. Sobbe	105	3			
15	Al Jordan (R)	398	9		9	
16	Edmund Parrott (R)	220	5		5	
17	Long Beach (R)	1,472	30		30	
18	G. W. Carver (R)	85	3			
19	Lakewood (R)	445	10		10	
20	Bakersfield (R)	621	13		13	
21	Vallejo (R)	191	5			
22	Alhambra (R)	531	12		12	
23	Jack Fisher (R)	1,193	25		25	

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thomp-son	Tomlin-son
	CALIFORNIA—Continued					
24	Ventura	272	6			
25	Berkeley (R)	86	3			
26	Modesto (R)	197	5			
27	Ontario	153	4			
28	Riverside (R)	353	8			
29	Pasadena-Altadena	295	6			
30	Inglewood	386	9			
32	May A. Carson	235	6			
33	Glendale (R)	449	10			
34	Bronson (R)	218	5		5	
35	American River	131	4			
36	Santa Monica (R)	455	10		10	
37	Santa Barbara	185	5			
38	South Valley Desert	69	2			
39	Antelope Valley	189	5			
40	David E. Lawton (R)	524	11			
41	Tujunga	89	3			
42	Florence	87	3			
43	Gardena (R)	389	9		9	
44	Frank C. Marpe (R)	387	9		9	
45	Memorial (R)	176	5		5	
46	Whittier	331	8			
47	Peninsula (R)	181	5		5	
48	Sonoma (R)	362	8			
49	Hollywood (R)	289	7		7	
51	San Lorenzo (R)	67	2			
52	Santa Cruz (R)	170	4		4	
53	Corona	149	4			
54	Kern River Valley	61	2			
55	Simi Valley (R)	74	2		2	
56	Golden State	1,684	34			
57	San Clemente	56	2			
59	Lodi (R)	86	3		3	
60	Moronga Basin	85	3			
61	Wayne H. Castle (R)	59	2			
62	Gen. H. Hap Arnold	51	2			
63	Killian Schroth	85	3			
64	El Monte	154	4			
65	Donald A. Gary, CMH (R)	110	3		3	
66	Palm Springs (R)	225	5		5	
67	Pfc. Manuel Numes (R)	109	3			
68	Bruce Patterson	184	5			
70	Thomas F. Durbin	369	8			
71	Feather River	159	4			
72	Palm Desert (R)	31	2			
73	Birmingham Hospital (R)	1,000	21		21	
74	Turlock (R)	125	3			
75	Hemet-San Jac Valley (R)	242	6		6	
76	Union	146	4			
77	Fremont Newark	155	4			
78	Indio (R)	55	2			
79	Pacheco (R)	85	3			
80	E.J. Hubbard	91	3			
81	Suisun Fairfield (R)	303	7			
82	Santa Maria	120	3			
83	Clearlake	105	3			
84	Vacaville	39	2			
85	Gen. J. Stillwater	84	3			
86	Anderson	30	2		2	
87	Fontana	202	5			
88	Chino Montclair	97	3			
89	Perris-Sun City	55	2			
90	Redlands Yucaipa (R)	380	9		9	
91	Lompoc (R)	63	2		2	
92	Bill Kinnard (R)	125	3			
93	North Highlanders (R)	437	10		10	
94	North Orange County	770	16			
95	Tri-Cities	453	10			
96	Cambria	24	1			
97	Tulare	125	3			
98	W. S. Bellflower (R)	218	5		5	
99	Oxnard	144	4			
100	Nisei	186	5			
101	Salinas Valley (R)	798	17		17	
102	D. E. Wise	156	4			
103	Marin County (R)	113	3			
104	Twin Cities (R)	70	2			
105	Siskiyou	31	2			
106	Paradise (R)	79	3			
108	Los Angeles	214	5			
109	Azusa P. T. 109	75	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	CALIFORNIA—Continued					
114	East San Jose (R)	102	3		3	
122	L. H. Benson	139	4			
123	Lillian Bushnell	166	4			
125	Chico	159	4	$4.00		
127	Colton	92	3			
128	Mount Lassen	242	6			
131	Woodland (R)	60	2			
135	China Lake	106	3			
136	Redwood City (R)	120	3			
137	Fresno (R)	243	6		6	
140	Kings River	49	2			
143	Retired Officers	33	2			
144	Wm. R. Hearst (R)	390	9		9	
148	Sunnyvale	152	4		4	
154	Mount Diablo (R)	346	8		8	
155	Benicia	35	2			
156	Lt. C. Doyle, Jr	202	5		5	
	Department		1			
	Total	38,653	894			
	COLORADO					
1	Zebulon Pike (R)	622	13		13	
2	San Isabel	290	7			
3	La Jara	65	2			
4	San Luis Valley	120	3			
5	Columbine	164	4			
6	George Hanis (R)	93	3			
7	Murphy Borelli (R)	3,277	67		67	
8	Greeley (R)	239	6		6	
9	Grand Junction (R)	406	9		9	
10	Boulder	140	4			
11	S. L. Brown (R)	205	5		5	
12	Fremont	142	4			
13	Silver State	222	4			
14	North Central	159	4			
15	Unforgotten	76	3			
16	Longmont (R)	23	1		1	
17	Moore Demoret	124	3			
18	Arapahoe	243	6			
19	John Pershing	81	3			
20	Littleton	24	1			
21	Clyde Seiler (R)	340	8		8	
22	George G. Klumker (R)	1,006	21		147	
24	Lamar	77	3			
26	Knob Hill (R)	429	10		10	
30	Heart of Rockie	49	2			
32	Loveland (R)	325	7		7	
33	Grand County	24	1			
34	J. R. Bud Campbell	84	3			
39	Steel City (R)	680	15		15	
41	Fort Morgan	60	2			
44	Dunger Smith	80	3			
48	Durango	56	2			
49	Carbondale	16	1			
	Department		1			
	Total	9,941	231			
	CONNECTICUT					
1	Nutmeg State	212	4			
2	New Haven (R)	452	10		10	
3	John J [illegible]	351	8			
4	Derby Shelton	33	2			
5	James McNamee (R)	644	14		14	
6	Meriden Wallingford	331	8			
7	Shea C. Clark	125	3			
8	Hardware City (R)	276	7		7	
9	Waterbury (R)	445	10		10	
10	John R. Morse	139	4			
11	Union City	56	2			
12	Unknown Soldier (R)	1,498	31		31	
13	Stamford (R)	163	4		4	
14	Seymour Oxford	33	2			
15	Milford	138	4			
16	Fred McCarthy (R)	156	4		4	
17	Manchester	129	4			
18	West Haven	319	7			
20	C. K. Merritt	210	5			
21	Noonan Cecchini (R)	267	6		6	
25	Lee Hartell	341	8			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	CONNECTICUT—Continued					
26	Jeremiah O'Brien	121	3			
30	Hamden N. Haven	104	3			
31	New Haven	267	6			
39	Willimantic	146	4			
40	Branford	47	2			
45	New Milford	45	2			
46	Torrington	150	4	$155.44		
47	H. A. Kupchunos	166	4			
48	Newington	81	3			
49	Bicentennial	47	2			
	Department (R)		1		1	
	Total	7,492	181			
	DELAWARE					
1	First State	131	4			
2	Blue Hen State (R)	98	2			
3	Caesar Rodney	484	11			
4	New Castle County (R)	192	5		5	
5	Richard J. Curry	106	3			
6	Milford	103	3			
7	George Penuel Jr. Memorial	57	2			
8	Rehoboth Beach	16	1			
9	Seaford	15	1			
10	Robert W. Irwin	93	3			
	Department		1			
	Total	1,295	36			
	DISTRICT OF COLUMBIA					
1	Federal (R)	938	20		20	
2	National Capitol	207	5			
3	Colonel Young (P)	633	14		14	
4	King Clark (R)	205	5		5	
5	Rea (R)	266	6		6	
9	National Service (R)	335	8		8	
14	Dorie Miller	153	4			
16	Capitol Hill (R)	307	7		7	
17	D.C. at Large	112	2			
	Department (R)		1		1	
	Total	3,156	72			
	FLORIDA					
1	Jacksonville	398	9			
2	Everglade State (R)	469	9		9	
3	Sarasota	445	10			
4	Tampa (R)	2,092	43		43	
5	Tallahassee	121	3			
7	W. Washington	116	3			
8	Joe B. Game III	137	4			
9	Sunshine City	862	18			
10	Miami (R)	507	11		11	
11	Clearwater (R)	932	20		20	
12	Coral Gables	341	2	2.00		
13	Bay Pine Holiday Island (R)	728	16		15	
14	John D. Stroud	199	5			
15	Ruskin	49	2	28.70		
16	Central (R)	1,219	25		25	
17	Panama City	176	5			
18	Manatee County (R)	994	21		21	
19	Lake Worth	362	8			
20	Lake City	85	3			
21	Beverly Hills	104	3			
22	Jackson County	124	3			
23	Al Gray	751	16			
24	Miami Beach Surfside	278	7			
25	Sulphur Springs	471	10			
26	Southside	231	6			
27	Leon County	13	1			
28	Polk County	384	9			
29	Pembroke Pn—Miramar (R)	17	1		1	
30	Seminole (R)	340	8		8	
31	Ocala	219	5			
32	J. L. Golightly (R)	507	11		11	
33	Key West (R)	335	8		8	
34	Gene Evans	99	3			
35	Broward County (R)	274	6		6	
36	Gadsden County	27	2			
37	Davie	14	1	1.50		
38	Orange Park	63	2			
39	Sgt. D. W. Mullins	293	7			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	FLORIDA—Continued					
40	Frank Oliver, Jr. (R)	1,5[illegible]9	31		31	
41	South Broward County (R)	784	17		17	
42	Palm Beach (R)	469	10		10	
43	Hieleah-Miami Springs (R)	1,733	36		36	
44	North Miami	39	2			
45	Hood-Abernathy	73	2			
46	South Pasadena	268	6			
47	Carol Cy-Opa Locka	20	1			
48	Taylor County	17	1			
49	Ridge	14	1			
50	Central Brevard	170	4			
51	Beaches	15	1			
52	Waldo Buddy Bruns	11	1			
53	New Smyrna Beach	42	2			
54	B. I. Washington	28	2			
56	Henry McGauley	167	4			
57	Crestview	125	3			
59	Dade City	128	4			
64	Plant City	203	5			
65	Zephyrhills	128	4			
67	Cada Haddon	222	5			
69	Homestead Roadlands (R)	308	7		7	
70	Citrus County	149	4			
72	Playground	499	11			
74	Sgt. A. Lehman	156	4			
75	Caloosahatchee	453	10			
76	John W. Bias	43	2			
78	New Port Richey	654	14			
81	North Miami Beach (R)	397	9		9	
82	R. L. Cochran, Jr	170	4			
83	Brandon	235	6	$2.00		
84	Holly Hill (R)	578	13		13	
[illegible]	L. O. Gravely, Jr	106	3			
86	Jim Bode	112	3			
87	William E. Hill	297	7			
88	Lemon Bay	82	3			
89	Roger Segers	52	2			
90	Gator	265	6	2.00		
91	Pinellas Park	660	14			
92	Sgt. D. Ledgerwood	205	5			
93	Cpl. Louis C. Goi (R)	383	9		9	
94	G. Gustafson	106	3			
95	Orange Blossom	111	3			
96	John T. Hensley	136	4			
97	Osprey	108	3			
98	Euchee Valley	92	3			
100	Ridge Carillon	120	3			
101	Venice Gulf	229	6			
102	Choctawatchee	84	3			
103	Dunedin (R)	385	9		9	
104	Mid Florida	317	7			
105	Falling Waters	82	3			
106	Bay County	210	5			
107	Colin P. Kelly, Jr	95	3			
108	James D. Rade	134	4			
109	Titusville	153	4			
110	Riverview	168	4			
111	Peace River	108	3			
112	Bay Area	167	4			
114	Clay County	111	3			
115	Jess Thomas	134	4			
116	Martin County—H. Butler (R)	175	4		4	
117	Collier County	128	4			
118	Mirable Strip	53	3			
119	Cy North Lauderdale (R)	319	7		7	
120	Land-O-Lakes	113	3			
121	Salt Springs	59	2			
122	Marathon	61	2			
123	Space Coast	381	9			
124	Ex-Prisoner of War	104	3			
125	Santa Rosa	100	3			
126	Suwannee Memorial	82	3			
127	Gateway (R)	300	8		8	
129	South Brevard Beaches	167	4			
130	R. Palmer Big Lake	75	2			
131	Freeport	26	2			
133	S/Sgt. John Reddy	117	3			
134	Pvt. R. McTureous	81	3	10.00		
135	Richard W. Goode	114	3			
136	Key Largo-Monroe County	35	2			
137	Osceola	38	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	FLORIDA—Continued					
138	Plantation (R)	208	5		5	
139	Suncoast (R)	96	3		3	
	Department (R)		1		1	
	Total	36,657	771			
	GEORGIA					
1	Wm. E. Tate (R)	1,003	21		21	
2	J. B. Connally	214	5			
3	Cordele	85	3			
4	Huff Vinson	28	2			
5	Dalton	150	4			
6	John Woodall	281	7			
7	Muscogee	483	11			
8	Savannah	401	9			
9	McCrary Adams (R)	817	17		17	
10	Pendleton King (R)	928	20		20	
11	Woodrow Wilson	79	3	$2.00		
12	South Cobb County	77	3			
14	Emory P. Bass Memorial	244	6			
15	Thurmond-Moon	12	1			
16	Luke Morgan	43	2			
17	Willie C. Burreal	36	2			
18	P. Williams (R)	78	3		3	
19	Brooks County	39	2			
20	Cracker State	759	15			
21	Tri-County	83	3			
22	Hall County	141	4	5.00		
23	Little White House	94	3			
24	Coosa Valley	91	3			
25	Clinch County	111	3			
26	George D. Troop	101	3			
27	Dick M. Lynch	73	2			
28	M. Nicholes	104	3			
29	Eastman	30	2			
30	Cook County	44	2			
31	La Grange	38	2			
32	Tallapoosa	20	1			
33	Donald A. Moody	168	4			
34	Laurens County	181	5			
35	Isaac J. O'Neal Memorial	39	2			
36	Golden Isles	124	3			
37	Polk County	16	1			
38	Tifton	39	2			
39	Barnesville	53	2			
44	Columbus	80	3			
45	John D. Black	101	3			
46	Hinesville	30	2			
47	Lincoln County	11	1			
48	Moultrie	16	1			
49	James H. (Sloppy) Floyd	18	1			
50	Ray Williams (R)	55	2		2	
51	Etowah Valley	20	1			
56	Fountain City (R)	635	14		14	
58	West Georgia	21	1			
59	Evans County	24	1			
60	Barrow County	62	2			
61	Charles Ray King	34	2			
62	Coweta County	18	1			
	Department (R)		1		1	
	Total	8,422	222			
	IDAHO					
1	Caldwell	101	3			
2	Boise (R)	479	11		11	
3	Pocatello (R)	261	6			
4	Benewah County	16	1			
5	Stradley	318	7			
6	Yellowstone	247	6			
7	Latah County	14	1			
8	Gem State	47	1			
9	Fort Sherman (R)	214	5		5	
10	Mini Cassia	92	3			
11	Border	36	2			
13	Nampa	250	6			
15	Audie Murphy	89	3			
16	Shoshone County (R)	102	3		3	
17	Jim McNamara (R)	138	4			
18	Lewiston	148	4			
20	Salmon	32	2			
21	Emmett	44	2			
22	Ada County (R)	133	4		4	

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	IDAHO—Continued					
23	Payette County	83	3			
24	Valley County	17	1			
25	Priest River	72	2			
27	Lava Hot Springs	23	1			
28	Bonners Ferry	18	1			
	Department (R)		1			
	Total	2,974	83			
	ILLINOIS					
1	Peoria	691	15			
2	Chicago	921	19			
3	Alton	270	6			
4	Woodrow Wilson	301	7			
5	Chateau Thierry	125	3			
6	J. H. Patton (R)	511	11		6	5
7	Effingham	207	5			
8	Champaign County	228	6			
9	Rock Island County	128	4			
10	Heart of Chicago	144	4			
11	Harold R. Heap	407	9			
12	North Shore Memorial (R)	125	3			
14	Prairie State (R)	528	11			11
15	Hall Hagler (R)	836	18			18
16	Lake County Memorial	233	6			
17	Decatur and Macon Counties	246	6			
18	John W. Unger	233	6			
19	Hal Carr	144	4			
21	Massac County	32	2			
22	West Towns	459	10			
24	Forget-Me-Not	312	7			
25	Southtown	353	8			
26	Saline County Memorial	25	1			
27	Oak Park	101	3			
28	Gold Stripe (R)	107	3			3
29	Black Hawk Life (R)	256	6			6
30	Coles County	85	3			
32	Quincy Adams County (R)	237	6			6
33	Verdun (R)	667	14			14
34	R. G. Mann	148	4			
36	White Eagle (R)	189	5			5
38	Northwest (R)	194	5			5
40	Logan Square	242	6			
41	Newton	34	2			
42	Federal Service (R)	1,141	24			24
43	Chester Mozdzen	71	2			
44	Flynn Marum (R)	125	3			3
45	Uptown	251	6			
46	T. J. Decourcey Memorial (R)	253	6			6
47	Business and Professional (R)	218	5			5
50	George I. Bush	133	4			
51	Franklin County	220	5			
53	Quad City (R)	238	6			
54	Richard F. Jacobs (R)	192	5			5
55	South Suburban	332	8			
58	LaSalle County	204	5			
60	McLean County (R)	220	5			5
62	White County	54	2			
63	Richland County	88	3			
66	Shawnee Hills	34	2			
69	Jackson County	112	3			
71	Williamson County	146	4			
74	Central	43	2			
76	Egyptian Gateway	96	3			
77	Robert Hardy Memorial	48	2			
78	Randolph County	98	3			
79	Lansing	44	2			
80	Dwight	102	3			
81	Golconda	43	2			
82	Leatherneck	23	1			
83	Stars and Stripes	51	2			
84	Tricentennial (R)	201	5			5
85	Stephenson County	29	2			
86	Chief Shabbona (R)	31	2			
87	Macoupin County	16	1			
88	Rock River Valley	16	1			
89	McDonough County	14	1			
90	Jack Graichen Memorial	26	2			
91	Williamsburg Hill	29	2			
	Department (R)		1			1
	Total	14,661	363			

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AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	INDIANA					
1	Elmer Pond (R)	845	18		18	
2	Lt. Col. C. Bailey	144	4			
3	Dr. Worthington (R)	738	16			16
4	Ypres	57	2			
5	Marion	173	4			
6	South Bend (R)	1,224	25			25
7	James B. Gresham	505	11			
8	Lieutenant Smelser	108	3			
9	Leon Von Schepper (R)	293	7			7
10	Vincennes	198	5			
11	Carry On	125	3			
12	Anderson (R)	292	7			7
13	Hoosier State	195	4			
14	French Lick	31	2			
15	Goshen Memorial	595	13			
16	G. Rogers Clark	312	7			
17	Hammond	333	8			
18	Gibson County	249	6			
19	Elkhart	781	17			
20	Orleans	134	4			
21	Gary	309	7			
22	Batesville	53	2	$1.00		
23	Michigan City	274	6			
24	F. J. Barr	43	2			
25	Muncie	173	4			
26	Royal W. Grubbs	33	2			
27	Lafayette	131	4			
28	Kokomo	116	3			
30	Raymond Tucker	25	1			
31	Columbus	123	3			
32	Omar Bundy	63	2			
33	Crawfordsville	83	3			
34	Martinsville (R)	63	2			2
35	Indiana University Campus	43	2			
36	Posey County	32	2			
37	Robert Mauder	44	2			
38	Frankfort	109	3			
39	White Eagle	79	3			
40	Fort Wayne	66	2			
41	Shelby Memorial	95	3			
42	Marshall County	58	2			
43	Baron Dekalb Memorial	45	2			
44	Huntington County	47	2			
45	Lagrange	26	2			
46	Washington	83	3			
47	Rockport	14	1			
48	Aurora 7 Memorial	79	3			
49	Fred Uhl	39	2			
50	Warsaw	46	2			
51	Ninevah	32	2			
52	Indianapolis (R)	996	21			21
53	Cass County	106	3			
54	Bluffton	56	2			
55	Madison	78	3			
56	Monticello	44	2			
57	Brownsburg	76	3			
58	Randolph County	21	1			
60	Greenwood	49	2			
64	J. Waybright	38	2			
65	Winamac	32	2			
66	G. Reynolds	102	3			
67	Blackford County	80	3			
70	Rushville	21	1			
71	Crane	25	1			
72	Salem	87	3			
74	Bicknell	70	2			
75	Dearborn County	144	4			
76	Bicentennial	21	1			
77	Dubois County	288	7			
78	Boonville	52	2			
79	Leonard Doliana	68	2			
80	Crown Point	74	2			
85	Perry County	112	3			
88	Newton County	18	1			
89	Hamilton County	118	3			
90	Franklin County	78	3			
91	Adams County	95	3			
94	Crawford County	53	2			
99	Greene County	43	2			
100	Mishawaka	16	1			
	Department (R)		1			
	Total	12,819	336			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	IOWA					
1	Wapello	145	4			
2	Scott County (R)	206	5		5	
4	Michael Houchin	183	5			
5	Col. Don Macrae	174	4			
6	Fighting Back	155	4		4	
7	Marshalltown	42	2			
8	Hamre Giesen	75	2			
10	Cedar Rapids	207	5			
11	King Marson (R)	227	6			
15	Knoxville	57	2			
17	Carry On	76	3			
18	Hawkeye State	188	4			
19	Old Gold	90	3			
20	Des Moines (R)	717	15		15	
21	Mahaska	192	5			
22	Clarion	18	1			
23	Newton	22	1			
26	Silver Star	34	2			
27	Verdun Pearl Harbor	157	4			
29	Webster County	211	5			
32	James Denny	65	2			
33	Buena Vista	407	9			
36	Atlantic	47	2			
42	Carroll County	29	2			
53	Business and Professional (R)	54	2			
54	Sioux City (R)	569	12		12	
57	Glenwood	119	3			
58	Heartland of Iowa	53	2			
59	Great Lakes Area	82	3			
	Department (R)		1		1	
	Total	4,601	120			
	KANSAS					
1	Wyandotte County (R)	821	17		17	
2	Pittsburg	111	3			
3	Topeka (R)	697	15		15	
4	Wichita (R)	882	19		19	
5	Parsons	103	3			
6	Bourbon County	33	2			
7	Leavenworth	74	2			
8	Greenwood County	35	2			
9	Butler County	41	2			
10	Foster	73	2			
11	Loren T. Manning (R)	170	4		4	
12	Sunflower State	65	1			
13	Dodge City	80	3			
15	Independence	78	3			
16	Pearl Harbor	135	4			
17	Liberal	45	2			
20	Marshall County	140	4			
22	Jayhawk	90	3			
25	Neosho County	51	2			
27	Great Bend (R)	129	4		4	
28	Manhattan	62	2			
32	Atchison	24	1			
33	Coffeyville	109	3			
34	Johnson County (R)	314	7		7	
35	Dwight W. Pralle	59	2			
36	Lyon County	49	2		2	
37	Clay County (R)	61	2		2	
38	North Central Kansas	59	2			
39	Ark Valley	26	2			
	Department (R)		1		1	
	Total	4,616	121			
	KENTUCKY					
1	Lexington	906	19			
2	Ashland	123	3	$2.00		
3	Elizabethtown	216	5			
4	Owensboro	330	8			
5	Bowling Green	178	5			
6	Louisville (R)	801	17		17	
7	Paducah	222	5			
8	Jouett Henry	429	10			
10	Tompkinsville	53	2			
11	Ohio County	36	2			
15	Fort Thomas	33	2			
18	Andy J. Blanton	654	14			
19	Twin City	555	12			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	KENTUCKY—Continued					
20	Glascow	151	4			
22	Corbin	245	6			
23	Corncracker State	528	11			
26	Falmouth	81	3			
32	Brownsville	47	2			
34	Tom King	88	3			
37	Trauth Weigand	63	2			
41	Casey County	83	3			
45	Russellville	97	3			
47	Pulaski County	216	5			
48	Rockcastle County	38	2			
49	L.A. Mobley	28	2			
50	Murray	40	2			
51	J.B. Glover	138	4			
54	Mercer County	169	4			
55	Madison County	287	7			
56	Three Wars	177	5			
58	Four Wars	68	2			
60	Central City	46	2			
64	Hazard	278	7	$1.00		
66	London	199	5			
70	Taylor County	43	2			
73	Clinton County	56	2			
81	Lee County	183	5			
89	Hi Land (R)	989	21		21	
90	Williamsburg	122	3			
92	Lawrence County	62	2			
94	Daniel Boone	129	4			
98	Latonia	25	1			
103	Powell County	26	2			
105	Wayne County	113	3			
106	Graves County	717	15			
108	Sgt. Joseph DeWitt (R)	118	3		3	
111	West Kentucky	81	3			
112	Gilbert Young	43	2			
116	Campbell County Memorial (R)	184	5		5	
117	Fulton	16	1			
118	Benton	317	7			
122	Coalfields	190	5	2.00		
125	Franklin County	16	1			
126	Whitley City	34	2			
127	Tri-County	39	2			
128	Garrett	664	14			
129	Dr. E.M. Boardman	188	5			
131	Leslie Myers	37	2			
132	Morgan County	139	4			
133	Leslie County	214	5			
134	Pikeville	339	8			
135	Jackson	67	2			
136	Paintsville	149	4			
137	Manchester	85	3			
139	Bi-Centennial	83	3			
140	Elkhorn City	116	3			
141	Belfry	10	1			
142	Inez	28	2			
143	Bath County	95	3			
144	Henderson	48	2			
145	Bob Jakob Memorial	41	2			
146	Butler County	34	2			
147	Grayson	49	2			
	Department (R)		1		1	
	Total	13,492	347			
	LOUISIANA					
2	Lafayette	187	5			
3	Markham Cambre	133	4			
4	St. Martinville	30	2			
5	Capitol City (R)	308	7		7	
6	C. Chesney (R)	128	4			
7	Central Louisiana	286	7			
8	McClendon	133	4			
9	Lafourche-Terrebne	37	2			
10	Felix L. Veau	589	13			
11	Creole State	210	4			
12	Catahoula-Lasalle	13	1			
13	B. J. Daly	239	6			
14	Evangeline	25	1			
15	Alvin E. Armstrong (R)	318	7		7	
16	Tangi Parish	92	3			
17	Louis L. Lust	255	6			
19	Acadian	123	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	LOUISIANA—Continued					
20	Beauregard Parish (R)	67	2		2	
21	Sabine Parish	69	2			
22	Farmerville	28	2			
23	Delhi	20	1			
24	Reserve	51	2			
25	St. Tammany Parish (R)	54	2		2	
25	Winnfield	41	2			
27	Winnsboro	25	1			
29	Bastrop	43	2			
30	Shreveport Bossier (R)	862	18		18	
31	James Stennett	31	2			
32	Wash Parish	49	2			
33	John P. April	260	6			
34	Covington	19	1			
36	St. Bernard, Inc. (R)	557	12		12	
40	John Ellis Mays	135	4			
42	B. G. Metoyer	75	2			
43	Monroe	27	2			
44	Lafayette	46	2			
45	Jambalaya	57	2			
47	Mansura	192	5			
	Department (R)		1		1	
	Total	5,814	154			
	MAINE					
1	John F. McPherson	686	15			
2	Pine Tree State	13	0			
3	Portland	270	6			
4	Biddeford Saco	245	6			
5	Dirigo	201	5			
6	John F. Kennedy (R)	424	9		9	
9	St. John Valley	104	3			
10	Smart-Ricker	122	3			
11	Emilien Hamann	573	12			
13	Robert L. Stover	95	3			
14	Byron Atwood Buck	102	3			
15	Lavallee-Garrison	77	3			
16	Hall and Coiley	34	2			
17	Houlton	40	2			
18	Eugene R. Boisvert	126	4	$10.20		
19	Thomas W. Bazemore	50	2			
21	Al and Ted Gauthier	43	2			
22	Bernard L. Coro	32	2			
	Department (R)		1		1	
	Total	3,237	83			
	MARYLAND					
1	Baltimore (R)	1,393	29		29	
2	Fort Washington	315	7			
3	L. L. Merrill, Sr.	347	8			
4	Ernie Pyle (R)	887	19		19	
5	Washington and Lee	248	6			
6	Old Line State	51	1			
7	Omaha Beach (R)	589	13		13	
8	Baltimore County	154	4			
9	Central Maryland	47	2			
10	Beth Chevy Chase (R)	226	6		6	
11	Unity	326	8			
12	Rockville Memorial	303	7			
13	Glen Burnie	352	8			
14	R. S. Tagg, Jr	225	5			
15	F. McLhinney	219	5			
16	Free State	646	14			
17	Gen. M. J. Maas	813	17		17	
18	Towson	266	6			
19	Salisbury	253	6			
20	Southern Maryland	55	2			
21	Dundalk (R)	426	10		10	
22	Old Glory	111	3			
23	George H. Seal Memorial	753	16			
24	BOASI	171	4			
25	Prince Georges (R)	140	4		4	
26	St. Marys	141	4			
27	Oriole	41	2			
28	Cecil County	100	3			
29	Mountain Top	52	2			
30	Bel Air	287	7			
31	Cambridge	77	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	MARYLAND—Continued					
32	Indian Head	25	1			
33	Odenton	16	1			
	Department (R)		1		1	
	Total	10, 055	234			
	MASSACHUSETTS					
1	Bay State (R)	1, 181	24		24	
2	Queen City	703	15			
3	Silver Star	228	6			
4	Worcester (R)	1, 138	24		24	
5	J. W. McAuliffe Memorial (R)	195	5			
6	Lawrence J. Heron (R)	317	7			
7	Dr. C. E. Burt	274	6			
8	Fred S. Murphy (R)	226	6		6	
9	William S. Green (R)	459	10		10	
10	Boston (R)	1, 975	40		40	
11	Westover	163	4			
12	Bourne	78	3			
13	Dorchester (R)	411	9		9	
14	Watertown	178	5			
15	Pittsfield (R)	31	2		2	
16	Cambridge (R)	248	6			
17	Navy Yard (R)	1, 187	25		25	
18	Andover	72	2			
19	Chicopee	168	4			
20	Hannah Dustin	312	7			
21	Mystic Valley-Gold Star (R)	356	8		8	
22	South Boston (R)	532	12		12	
23	W. J. Farrell (R)	364	8		8	
24	Noe P. Valois Memorial	318	7			
25	Edith N. Rogers	718	15	$2.00		
26	Professional and Business (R)	104	3		3	
27	Somerville (R)	689	15		15	
28	Minute Man (R)	265	6		6	
29	Braintree	903	19			
30	S. A. Spadafore	271	6			
31	William P. Connery, Jr	65	2			
32	Brockton VA Hospital	540	12			
33	Scott Vetterling	94	3			
34	South Boston (R)	55	2		2	
35	Marshfield Memorial	160	4			
36	Pvt. W. L. Sukefrth	193	5			
37	Reading (R)	213	5		5	
38	Pfc. D. O. Atwood	29	2			
39	Randolph Memorial	256	6			
40	E. A. Iwomey, Sr	489	11			
41	Edward Drake (R)	203	5			
42	Dedham (R)	58	2			
43	Townsend Memorial	99	3			
44	J. F. Kennedy (R)	1, 632	34		34	
45	Waltham (R)	313	7			
46	Athol	102	3			
47	Billerica	169	4			
48	Dr. J. J. Brennan	78	3			
49	Arlington	330	8			
50	Rockland	153	4			
51	Everett	223	5			
53	Webster	200	5			
55	Agawam W. Springfield (R)	249	6			
56	Westcott Houghton	280	7			
57	W. F. Reardon (R)	233	6			
58	Gen. G. S. Patton, Jr	51	2			
60	Edwin S. Snopek	173	4	2.00		
62	Edward Rood Memorial	116	3			
63	William S. Burdick (R)	190	5		5	
64	E. F. Gilmore (R)	416	9			
65	Ralph Talbot	125	3			
66	Department Public Works	33	2			
67	Massachusetts Women Vets	13	1			
68	Springfield	494	11			
70	Gardner (R)	125	3		3	
74	Gloucester	127	4			
75	Belchertown Life	96	3			
76	Brockton	281	7			
77	East Boston	139	4			
78	Jamaica Plain	80	3			
79	Quincy and Cavanagh	350	8			
80	Gen. G. M. Dodge (R)	133	4		4	
81	Falmouth Memorial	91	3			
82	Salvatore Padula (R)	289	7		7	
83	Beverly	72	2			
84	Salem (R)	414	9		9	
85	D. W. Clifford	406	9			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	MASSACHUSETTS—Continued					
88	Woburn (R)	258	6			
89	VA Hospital	244	6			
90	Norwood (R)	536	12		12	
92	Northampton	168	4			
93	Sgt. P. S. Green (R)	140	4		4	
94	Ludlow	154	4			
96	Cape Cod	531	12			
99	Lynn Memorial	83	3			
100	Peabody	284	7			
101	Scuthbridge	140	4			
105	New Bedford	186	5			
106	William Tattersall	86	3			
109	David M. Cleary	90	3			
110	Tewksbury	122	3			
111	Brookline	253	6			
112	Revere Beach	204	5			
113	William Hurley	185	5			
114	Earl W. Harvey (R)	289	7		7	
115	Saugus (R)	239	6		6	
116	A. F. Seagrave	112	3			
118	H. S. Nickerson (R)	206	5			
119	Whitman	245	6			
	Department		1		1	
	Total	29, 449	689			
	MICHIGAN					
1	Keane-Rankin-Detroit (R)	2, 704	55			55
2	William A. Smith, Jr. (R)	1, 810	37			37
3	Genesee	1, 193	25			
4	Saginaw	499	11			
6	Buck Crosby	505	11			
7	Efred Lynn (R)	350	8		4	4
8	Capitol City	1, 118	23			
9	Robert King, Jr. (R)	904	19			
10	William Sparks	430	10			
11	William Scott Wood (R)	428	10			10
12	Port Huron (R)	475	10			10
13	Washtenaw County	534	12			
14	Holland	436	10			
15	Ensign H. Robinson	121	3			
16	Pontiac (R)	606	13			
17	Twin Cities	511	11			
18	Mecosta County	89	3			
19	South Oakland	1, 123	23	$194. 68		
20	Lenawee	272	6			
22	Marquette	136	4			
23	Clove land	345	8			
24	Delta County (R)	280	7		7	
25	Menominee County	170	4			
26	Manistique	91	3			
27	Copper Country	160	4			
29	Lesky Dulek	89	3			
30	Harold Snyder	130	4			
31	Chief Petoskey	127	4	4. 00		
32	Gratiot County	104	3			
33	Wolverine State (R)	10, 303	206			206
36	Stuck Klintworth	119	3			
38	Allen Alto	314	7			
39	Inland Lakes	204	5			
40	E. Thomas	259	6			
42	Dundee	79	3			
43	Salt City	213	5			
44	McComb County	287	7			
45	Marvin A. King, Jr. (R)	236	6			6
48	Dr. L. Geerlings	153	4			
50	Mathew Labric	108	3			
51	Cpl. Ian M. Gray (R)	992	21			21
52	O'Connor Reinhart (R)	236	6			6
54	Huron County	143	4			
55	Amon Brothers	266	6			
56	Ben F. Shively	121	3			
57	Van Buren County	140	3			
59	Oceana County	133	4			
60	Detroit East Side	649	14			
61	Thunder Bay (R)	340	8			8
62	Doyle Burke	249	6			
63	Shiawassee County	109	3			
64	Clinton County	83	3			
65	Calhoun County	60	2			
66	Northland	203	5			
67	Chippewa	96	3			
68	Hillsdale	91	3			
69	Munising	111	3			

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	MICHIGAN—Continued					
73	Ogemaw Hills	87	3			
74	Hiawatha	81	3			
75	Sanilac	64	2			
76	Lake Superior (R)	97	3			3
79	Floral City	251	6			
83	Col. Hamtramck	273	6			
86	Alex Martin (R)	420	9			9
87	Vineyard	57	2			
88	Jack Johnston	141	4			
89	Cass County (R)	103	3			3
90	Cheboygan	161	4			
91	Mirror Lake	77	3			
92	Paul Bunyon	56	2			
93	Straits	34	2			
94	Maidland County (R)	145	4			
95	Deer Park	38	2			
96	Robert Bo Malish	142	4	$9.50		
98	Gaylord Alpine	142	4			
102	Sydney J. Allen (R)	311	7			7
103	Pfc. J. Iazelaar	255	6			
104	Crystal Falls	31	2			
106	Flat River	73	2			
107	East Detroit	355	8			
108	Florentine	50	2			
111	Allen Park (R)	618	13			13
113	Redford Township (R)	1, 352	28			28
114	Livonia (R)	728	16			16
115	Dr. P. H. Willston	76	3			
116	Lindoln Park	240	6			
117	Haley Brothers	266	6			
118	Roseville	293	7			
119	St. Clair Shores (R)	494	11			11
120	Wayne	260	6			
121	Sgt. D. L. Fisher (R)	432	10		10	
122	Goodrich Skidmore	563	12			
123	P. T. Fitzpatrick (R)	275	6			6
126	Valentyne Paul (R)	105	3			
127	Biebuyck-Romano (R)	742	16			16
129	Robert H. Cox	258	6			6
130	Tawas Bay	106	3			
131	Sterling Heights	151	4			
132	Presque Isle	65	2			
133	Raymond Wilcox	58	2			
134	Gateway	108	3			
135	Mid State	12	1			
	Department (R)		1			1
	Total	42, 647	954			
	MINNESOTA					
1	Minneapolis (R)	3, 460	70			
2	St. Paul (R)	1, 234	26			
3	Golob (R)	249	6			
4	Cloverleaf	65	2			
5	Red Wing	231	6			
6	Gilbert W. Nordman	316	7			
7	Bemidji	247	6			
8	Gopher State	38	1			
9	St. Cloud	247	6			
10	Mankato (R)	273	6			
11	Aitkin	87	3			
12	Morrison County	88	3			
13	Itasca County	194	5			
14	Crookston	100	3			
15	New Ulm	184	5			
16	Glaydon Iverson	154	4			
17	Washington County	95	3			
18	Carlton County	110	3			
20	Faribault (R)	177	5			
22	Crow Wing County	164	4			
23	Kolstad	208	5			
24	Montevideo	130	4			
25	Fergus Falls	131	4			
27	Arnold Brandt	93	3			
28	Mayo	159	4			
29	Alexandroa	82	3			
30	Swanson-Foss	49	2			
31	Lakeland	254	6			
32	South Central (R)	119	3			
33	Southwest	54	2			
34	West Central	42	2			
	Department (R)		1			
	Total	9, 034	213			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	MISSISSIPPI					
1	Lt. Col. J. F. Short	91	3			
2	Bayou State (R)	329	7			
4	Hattiesburg	119	3			
5	R. W. Veal (R)	1,097	23			
8	Fleet Johnson	157	4			
9	Washington County	74	2			
11	Spencer H. Dawson (R)	630	14			
16	Adams County	44	2			
19	Lamar County	39	2			
20	Biloxi	106	3			
22	Vicksburg	120	3			
26	Calhoun County	124	3			
29	Grenada County	69	2			
37	Stewart G. Smith	226	6			
38	Joseph T. Lyon	122	3			
40	Elmo P. Smith	100	3			
42	Chickasaw County	91	3			
43	Lee County	344	8			
44	Yalobousha County	25	1			
46	Jackson County	30	2			
47	Pearl River	28	3			
48	D. J. DePriest	113	4			
50	Hancock County	78	3			
51	Max R. Idom	54	2			
52	George County	30	2			
53	Humphrey County	7	1			
54	Montgomery County	43	2			
55	Roland Sullivan	201	5			
56	Lauderdale County	23	1			
57	Wayne County	58	2	$20.00		
58	G. W. Fulton	34	2			
	Department (R)		1			
	Total	4,606	123			
	MISSOURI					
1	St. Louis (R)	5,556	112			
2	E. Schumann Heink (R)	1,801	37			
3	Oregon County	81	3			
4	Butler County (R)	452	10			
5	Old Glory	89	3			
6	St. Joseph	170	4			
7	Wayne County	35	2			
8	Texas County	81	3			
10	Queen City (R)	451	10			
11	Orlan Smith Memorial	571	12			
12	St. Francois County	153	4			
13	Mark Twain	100	3			
14	Nevada	124	3			
16	Cape County (R)	401	9			
17	Oliver Buehrle (R)	402	9			
21	Show Me State	234	5			
42	Moberly	74	2			
43	West Plains	94	3			
45	Perryville	103	3			
46	Gen. John Pershing	41	2			
47	Ken Sisler	44	2			
48	North Missouri	27	2			
49	Gasconade	35	2			
	Department		0			
	Total	11,119	245			
	MONTANA					
1	Gateway	126	4	1.50		
2	Great Falls	533	12			
3	Lewis Et Clark (R)	435	10			
4	Flathead	228	6			
5	Garden City	263	6			
6	Butte	278	7			
7	Columbia Falls	61	2			
8	Treasure State	3	0			
9	C. E. Andrews (R)	46	2			
10	Billings	400	9			
11	Argonne	96	3			
12	Bozeman	112	3			
13	Anaconda Memorial	103	3			
14	Havre	144	4			
15	Shelby	80	3			
16	Sidney	58	2			
17	Rocky Mountain	46	2			
19	Miles City	156	4			

AS OF JUNE 30, 1976—Continued

No.	Chapters	Members	Votes	Debt	Thomp-son	Tomlin-son
	MONTANA—Continued					
20	Polson Chapter	71	2			
	Department		1			
	Total	3,239	85			
	NEBRASKA					
1	Cornhusker State	6	0			
2	General MacArthur (R)	1,078	23			
3	North Platte	127	4			
7	Robert Flansburg (R)	968	20			
8	Norfolk	129	4			
9	Hastings	407	9			
10	Scotts bluff	115	3			
11	Grand Island	192	5			
12	Alliance	28	2			
13	McCook	72	2			
14	Midway	115	3			
16	Albion	58	2			
17	U.S. Center	30	2			
18	Fremont	78	3			
19	Ravenna	22	1			
20	Pawnee	165	5			
21	Pan Handle	121	3			
22	Dakota County	50	2			
24	Cedar County	28	2			
26	Beatrice Homestead (R)	89	3			
27	Fairbury	35	2			
28	Wayne County	52	2			
33	Baynard	65	2			
34	Keith County	89	3	$10.00		
35	Otoe Chapter	81	3			
36	Chadron Chapter	70	2			
37	York	47	2			
38	Kimball	22	1			
39	Valentine	86	3			
40	Sidney	49	2			
41	Custer (R)	49	2			
42	Crete (R)	66	2			
43	Falls City	61	2			
44	Trail Chapter	33	2			
45	Missing Comrades	31	2			
	Department (R)		1			
	Total	4,734	131			
	NEVADA					
1	Reno (R)	470	10			
2	Sage Brush State	30	1			
3	Winnemucca Chapter	23	1			
4	Mineral County	42	2			
6	Lahontan Valley (R)	89	3			
7	Carson City	99	3			
8	Elko Chapter	17	1			
10	Ely Chapter	16	1			
11	Las Vegas (R)	683	15			
34	Thunderbird	76	3			
	Department (R)		1			
	Total	1,545	41			
	NEW HAMPSHIRE					
1	Manchester (R)	772	15			
2	Granite State	94	2			
4	Piscataqua	193	5	35.50		
5	Bellamy (R)	210	5			
7	Gate City (R)	328	8			
8	Mt. Washington	146	4			
9	Derry (R)	23	1			
11	Lake Region	180	5			
13	Squamscott	135	4			
15	Somersworth	76	3			
16	Lebanon	26	2			
18	Queen City	168	4			
19	Capital City	178	5			
20	Claremont	69	2			
21	Keene Chapter	99	3			
23	Farmington	218	5			
24	Littleton	53	2			
25	W. T. Barron	80	3			
26	James Theos Regional	201	5			
	Department (R)		1			
	Total	3,199	84			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NEW JERSEY					
1	Passaic (R)	437	10			
2	Clifton City	421	9			
3	Carnevale-Spitz (R)	581	13			
4	A. F. Walters	836	18			
5	Cpt. P. J. E. Hogan	365	8			
6	Jersey City, Inc	182	5			
7	Palinfield	317	7			
8	Goldbg O'Hara Davis	114	3			
9	North Hudson (R)	272	6			
10	Atlantic City	189	5			
11	East Morris	41	2			
12	Mercer County (R)	264	6			
13	Jersey Shore	42	2			
14	Cpl. George H. Keller	165	4			
15	Bergen County	229	6			
16	Somerville	204	5			
17	Chas. Henry	112	3			
18	Argonne (R)	872	18			
19	T. A. Edison (R)	84	3			
20	Carl Lamberson	121	3			
21	West Essex (R)	113	3			
22	Bellevl Nutley	180	5			
23	Downtown	99	3			
24	Ocean County Memorial	203	5			
25	W. Hudson-S. Bergen	57	2			
26	Sgt. W. F. Connoly	378	9			
27	Bu lington County (R)	259	6			
28	N. J. State	241	5			
29	Fort Monmouth Memorial (R)	483	11			
30	Ironbound	39	2			
31	Montclair	73	2			
32	Northern Valley	385	9			
33	DAV Military Ocean Terminal	109	3			
34	Foreign Service	88	3			
35	Franklin C. Snider	123	3			
36	H. Martineau	85	3			
37	G. M. Sullivan (R)	294	7			
38	Bloomfield	176	5			
39	Bordentown	79	3			
40	Irwin D. Harris	235	6			
41	Jos. A. McNerney (R)	745	16			
42	Willingboro	383	9			
43	Gallion-Gentle-Kahn	118	3			
44	Cape May County	169	4			
45	Jacques R. Eisner	71	2			
46	Richard Skoluda (R)	181	5			
47	Mickey Grossman	85	3			
48	Warren County	184	5			
49	Metropc'itan	140	4			
50	Lakewood	97	3			
51	Paraplegic	74	2			
52	Edison Chapter	46	2			
53	N. J. Amputation (R)	153	4			
54	N. Bergen Secaucus	45	2			
55	Chas. Wernicke, Jr. (R)	110	3			
56	Woodbridge Memorial (R)	130	4			
57	H. Gugliciello	75	2			
58	Vineland Memorial	238	6			
59	Ventnor City	359	8			
60	Perth Amboy	136	4			
61	Cpl. S. C. Townsend	76	3			
62	Michael Walsh (R)	179	5			
63	Dover	160	4			
64	Gloucester County	119	3			
65	Sussex County	105	3			
66	Hammonton	81	3			
67	Benyei-Connors	257	6			
68	Lt. Owen Teevan	82	3			
69	Colonial	124	3			
70	Steven Villo Memorial	34	2			
73	Adm. Wm. F. Halsey	405	9			
74	Freehold	114	3			
75	Ruffner Lee	54	2			
76	Bayshore	237	6			
77	Marvin Wachsman	167	4			
78	Emile Bendist	58	2			
79	M. J. Bosko	109	3			
	Department (R)		1			
	Total	15,447	387			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NEW MEXICO					
1	Grant Fort Bayard	133	4			
2	T. Viramontes Deming	126	4			
3	Albuquerque-Cutting-Garcia (R)	2,045	42			
4	Sunshine State	305	7			
5	West Mesa	44	2			
6	Curry County	87	3			
7	Cactus State	148	3			
8	Raton	53	2			
9	San Juan	144	4			
10	Mesilla Valley	296	7			
11	Hot Springs	196	5			
12	Taos	107	3			
13	Cavern City	106	3			
14	Alamogordo	183	5			
15	Ancient City	236	6			
16	Roosevelt County	93	3			
17	C. Arthur Armijo	168	4			
18	Union County	17	1			
19	Donald S. Simons	80	3			
20	S. G. Rodriguez	63	2			
21	Bataan	69	2			
22	Espanola Valley	72	2			
23	Coe Curry	36	2			
24	Socorro	113	3			
26	Eastern Valencia	25	1			
27	Alonzo Dotson	123	3			
30	Eddy County	109	3			
31	Pecos	27	2			
32	Albuquerque Life Member (R)	299	6			
33	Bernalillo (R)	301	7			
34	Enola Gay	31	2			
35	Cuba (R)	17	1			
	Department (R)		1			
	Total	5,782	148			
	NEW YORK					
1	Greater Buffalo (R)	1,109	23			
2	Empire State	1,657	33			
3	Dorie Miller	36	2			
4	Canandaigua (R)	213	5			
5	D. S. Burrows	132	4			
7	Kimble Kowalski	155	4			
8	Syracuse	370	8			
9	Seneca	68	2			
10	Albany (R)	510	11			
11	Oneida County	70	2			
12	Niagara Falls (R)	214	5			
13	S. S. Jack Swan	614	13			
15	Monroe Powers (R)	1,157	24			
16	Yonkers	426	10			
18	Jefferson County (R)	248	6			
19	Lt. J. M. Cumming (R)	546	12			
20	Fort Stanwix	532	12			
22	Mount Vernon	200	5			
23	Bronx County (R)	1,507	31			
24	Pfc. W. Ackerknecht	115	3			
25	Austin H. Evans	145	4			
27	Chateau Thierry	345	8			
28	Brooklyn Chapter (R)	2,407	49			
29	Astoria (R)	1,412	29			
30	Coonley-Nojaim Memorial (R)	1,373	28			
32	Washington Heights (R)	106	3			
34	Halloran Memorial (R)	570	12			
35	Jamaica (R)	535	12			
36	Lt. A. A. Amron	126	4			
38	Rev. F. A. Kelley (R)	650	14			
39	Mt. Pleasant Greenberg (R)	137	4			
47	Robt. P. Illig	264	6			
49	Emil A. Fasolino	91	3			
50	Dr. M. F. Nolan	271	6			
55	Tyson Fitzgerald (R)	177	5			
59	Chenanco	43	2			
60	Memorial (R)	832	18			
69	Grant C. Madill	119	3			
76	National Amputee (R)	1,269	26			
78	C. Kelley-M. Levin (R)	848	18			
79	Alfred E. Smith	132	4			
81	General Roosevelt (R)	104	3			
82	Stars Et Stripes (R)	1,672	34			
84	Tupper Lake	31	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NEW YORK—Continued					
		542	12			
87	Lt. Peter Lehman (R)	443	10			
88	Lt. V. O. Fryer	255	6			
91	Queens City (R)	983	21			
92	Queens Memorial (R)	533	12			
95	Don Sullivan, Jr	404	9			
97	L. M. Phillips Memorial	105	3	$4.00		
98	Pat Mete	106	3			
100	Amsterdam	166	4			
103	Owasco Memorial	54	2			
105	Manhattan Beach	119	3			
106	Oswego Valley	411	9			
107	Bertram Baum (R)	239	6			
108	4 Chaplains Memorial (R)	353	8			
109	Elmont (R)	294	7			
110	Eldora Sanzone (R)	390	9			
113	South Buffalo (R)	749	16			
117	Nassau (R)	257	6			
118	Lt. Alfred Lucia (R)	128	4			
119	Olean	383	9			
120	Roll of Honor	103	3			
121	Oneida Madison	215	5			
122	Fulton County	57	2			
123	Western New York Amputee	276	7			
125	Lt. J. J. French	2, 682	55			
126	Herald Square (R)	168	4			
130	Col. D. A. Marcus	221	1			
132	Forget-Me-Not	194	5			
133	Hamburg	124	3			
135	Lackawanna (R)	290	7			
137	Peekskill	464	10			
139	Sgt. A. A. Vacca	99	3			
142	Chas. Tinley Memorial	623	13			
143	Massapequas (R)	925	19			
144	Beacon Chapter (R)	262	6			
145	Cpl. R. M. Wainz (R)	52	2			
146	Montauk	207	5			
147	Ithaca Memorial	68	2			
148	Endicott Vestal End	452	10			
150	P. J. Schifferli (R)	463	10			
151	William J. Barry (R)	200	5			
152	T. D. Peterkin (R)	74	2			
153	Cortland	2 571	52			
154	Cohen and Canciglia (R)	177	5			
155	Mel Rosenberg PO	162	4			
156	Ulster County Memorial	73	2			
157	Lockport (R)	203	5			
158	Marcelle and Nolan	167	4			
159	Ransom-Otsego County Memorial	151	4			
160	Gannon and Parisi	102	3			
161	Henry Curtis	39	2			
162	General Herkimer	82	3			
163	Gen. Wm. J. Donovan	65	2			
164	Elmer J. Mruphy	23	1			
165	Cypress Hills Memorial	42	2			
166	Batavia (R)	266	6			
167	Maj. J. Karins, Jr. (R)	127	4			
168	Garnd Isle (R)	50	2			
169	Carthage	68	2			
170	Livingston County (R)	51	2			
171	Thomas Bushnell	108	3			
172	New Rochelle	324	7			
173	Lt. Thomas Burke	65	2			
174	Don Goerge Memorial	50	2			
175	J. O. Graziano Memorial	37	2			
176	Greater Colonie (R)	28	2			
177	Hanover Township	56	2			
178	Canada Valley	211	5			
179	Pfc. R. Lafountain	28	2			
180	Star Lake	17	1			
181	1000 Islands	50	2			
182	S/Sgt. E. Robinson	34	2			
183	Pfc. G. M. Langhorn	13	1			
184	Niagara Frontier	71	2			
185	Thomas Poldino		1			
	Department (R)					
	Total	43 993	991			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NORTH CAROLINA					
1	Woodrow Wilson	217	5			
2	James Raj Jones	370	8			
3	Tar Heel State	466	9			
4	Burlington	280	7			
5	Michael J. Thomas	90	3			
6	Tri-County	62	2			
7	Franklin	29	2			
8	Wilson County	85	3			
9	Robert G. Tate (R)	590	13			
10	Queen City	546	12			
11	Wilmington	254	6			
12	Stanley County	500	11			
13	Madison	47	2			
14	Beddingfield-Shytle	111	3			
15	Roanoke Valley	99	3			
16	Onslow County	265	6			
17	Hoke County	60	2			
18	Byers Moorhead Glover	543	12			
19	Gaston Spindle	212	5			
20	Guy and Joseph Thomas (R)	359	8			
21	Schackner Whitly	233	6	$1.75		
22	Asheboro	205	5			
23	James A. Moore	106	3	2.00		
24	Otis Crawford	65	2			
25	Rutherfordton County	63	2			
26	Havelock Chapter	80	3			
27	Concord Chapter	577	13			
28	Reidsville	45	2			
31	George E. Knight	109	3			
32	Lenoir County	101	3			
33	Maj. E. P. Robinson	218	5			
34	Hickory	175	4			
35	Whiteville	222	5			
36	John Guy Mabe	87	3			
37	Pitt County	241	6			
38	Ernest McAlister	26	2			
39	Yanceyville	34	2			
40	Craven County	94	3			
41	Carteret County	90	3			
43	Morganton	376	9			
44	Johnston County	85	3			
45	Wayne County	209	5			
46	Cumberland County (R)	1, 320	27			
47	Robeson County	86	3			
48	Beaufort County	257	6			
49	Duplin County	36	2			
50	Columbus County	139	4			
51	Anson County	36	2			
52	Clinton Deyton	101	3			
54	Kannapolis	142	4			
55	Beaufort-Hyde	49	2			
56	Brunswick County	100	3			
58	Bakersville	41	2			
59	Wm. F. Ingram (R)	298	7			
61	Mount Airy	34	2			
62	Otis L. Savage	25	1			
63	Eden	77	3			
64	K. J. Eyer, Jr	117	3			
65	Lake Gaston	71	2			
66	Davidson County	70	2			
67	Vance County	346	8			
68	H. Littlefield	162	4			
69	Green County	17	1			
70	Swain County	27	2			
72	Person County	52	2			
73	Murphy Chapter	64	2			
74	William M. Stone	112	3			
75	Frankie D. Howard	71	2			
76	Scotland County	28	2			
77	Mooresville	66	2			
78	Cape Fear	40	2			
80	Ashe County	50	2			
82	Red Springs	34	2			
83	Moore County	62	2			
84	Alexander County	31	2			
	Department (R)		1			
	Total	12, 789	331			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NORTH DAKOTA					
1	Francis J. Beaton (R)	590	13			
2	Grand Forks (R)	1,304	27			
3	Bismarck-Mandan	219	5			
4	Minot (R)	427	10			
5	Regan McLean	113	3			
6	Sioux State	0	0			
8	Dickinson	112	3			
9	Williston	68	2			
15	Nelson County	14	1			
24	Valley City (R)	131	4			
31	Jamestown	152	4			
	Department (R)		1			
	Total	3,130	73			
	OHIO					
1	Cincinnati (R)	1,881	39			
2	Youngstown (R)	788	17			
3	Capitol City (R)	2,090	43			
4	Verdun	188	5			
5	Gallipolis	103	3			
6	St. Mihiel	728	16			
7	Cuyahoga (R)	1,220	25			
8	Buckeye State	3,694	74			
9	Dayton (R)	2,115	43			
10	Peerless	434	10			
11	Trumbull County	484	11			
12	Clint Kramer	535	12			
13	Clark County	449	10			
14	R. O. Nichols	51	2			
15	Hamilton-Fairfield	481	11			
16	Sandusky	139	4			
17	Mahoning County	153	4			
18	Chillicothe	296	7			
19	Lima	210	5			
20	Louis Paul Proy (R)	774	16			
21	Mansfield	166	4			
22	Robert Ray Berry	179	5			
23	Newark	435	10			
24	Morgan	106	3			
25	A. L. Daniels	95	3			
26	Portage (R)	161	4			
27	Montfaucon (R)	1,342	28			
28	Guernsey	485	11			
29	Perry Wargo	84	3			
30	Henry County	192	5			
31	Champaign County	199	5			
32	Wood County	55	2			
33	Fremont	146	4			
34	W. Ayers	219	5			
35	Stadelman (R)	1,308	27			
36	Defiance	295	7			
37	Conrath Bean	319	7			
38	Massillon	384	9			
39	Ashtabula	241	6			
40	Lancaster	329	8			
41	Negley Fry	104	3			
42	Western Reserve (R)	281	7			
43	The Buddy	322	7			
44	Wayne County	108	3			
45	Jackson County	170	4			
46	Hardin County	174	4			
47	John W. Covert	272	6			
48	Sidney	158	4			
49	Walter J. Klekota (R)	220	5			
50	Alliance (R)	602	13			
51	H. B. Doc Riley	173	4			
52	Pioneer City	251	6			
53	Meigs	200	5			
54	Van Wert	86	3			
55	Union County	71	2			
56	Knox County	113	3			
57	Darke County	176	5			
58	Clinton County	89	3			
59	Warren County	161	4			
61	Crislus Attucks (R)	161	4			
62	Huron County	107	3			
63	Clermont County	291	7			
64	Paulding County	25	1			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thomp-son	Tomlin-son
	OHIO—Continued					
65	D. A. Nocera (R)	420	9			
66	Logan County	151	4			
67	Tuscarawas County	248	6			
68	Sam C. Buchanan	211	5			
69	Belmont County	39	2			
70	Pickaway	70	2			
71	Adams County	198	5			
72	Medina County (R)	122	3			
73	Auglaize County	91	3			
74	Coshocton	97	3			
75	Wyandot	28	2			
76	Mercer County	90	3			
77	Putnam County	113	3			
78	Fulton County	67	2			
79	Delaware	95	3			
80	Monroe County	42	2			
81	Ashland	81	3			
83	Williams County	119	3			
84	Morrow	22	1			
85	Carroll County	62	2			
86	Perry County	54	2			
87	Noble County	56	2			
88	Pike County	75	2			
89	Fayette County	87	3			
90	Brown County (R)	176	5			
91	Camden	37	2			
92	H. R. Cartwright	205	5			
93	Madison County	90	3			
94	Harrison County	43	2			
95	Vinton County	43	2			
96	Geauga County	85	3			
97	Twin City	52	2			
98	Troy	127	4			
99	Roy Payne	61	2			
100	Bucyrus	110	3			
102	Chic Young	208	5			
103	H. F. Grote, Jr. (R)	643	14			
104	Lewisburg	61	2			
105	Donald E. Dixon (R)	536	12			
108	J. N. Memeth Memorial (R)	597	13			
109	Valley (R)	384	9			
110	Eastern Hills	222	5			
111	Poland	27	2			
114	Cheviot	292	7			
115	Northern Hills (R)	369	8			
116	Brooklyn Parma (R)	916	19			
117	Bellaire (R)	812	17			
118	Mount Orab	31	2			
119	Fort Barbee	64	2			
120	W. F. Burt	109	3			
121	Barnesville	92	3			
122	Salem	89	3			
123	Hillsboro	91	3			
125	Maple Heights (R)	289	7			
126	Waynesfield	234	6			
127	Western Reserve (R)	830	18			
128	St. Clairsville	12	1			
129	Newcomerstown	33	2			
131	Harold H. Hursh (R)	397	9			
132	R. E. Wagner	25	1			
133	Mount Washington	68	2			
134	Victory	238	6			
135	Wright Memorial	16	1			
136	Sunbury	22	1			
	Department (R)		1			
	Total	39,422	911			
	OKLAHOMA					
1	Sooner State	1,040	21			
2	Nichols Cutter	51	2			
3	McIntosh County (R)	114	3			
4	Canadian County	36	2			
7	Louis L. Anthis (R)	495	11			
9	Creek County	99	3			
10	Okmulgee	85	3			
12	Davis Maloney	67	2			
16	Kay County	69	2			
17	Grady County	226	6			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	OKLAHOMA—Continued					
18	Garvin County	33	2			
20	Pittsburg County	362	8			
21	Beckham County	51	2			
24	James Simmons, Jr	55	2			
26	Jones Hughes	398	9			
29	Will Rogers (R)	828	18			
30	Tommy Hattensty	432	10			
31	Cherokee	161	4			
32	Tulsa (R)	860	18			
39	Mid Del (R)	861	18			
40	Ada Chapter	185	5			
41	McCurtain County	233	6			
43	Mayes County	84	3			
44	Rogers County	193	5			
47	Pioneer Oklahoma	158	4			
48	Shea Nelson Chapter	117	3			
49	Stephens County	152	4			
50	Ottawa County	162	4			
51	Jackson County	121	3			
52	Pushmataha	66	2			
53	Little Dixie	203	5			
54	Shawnee	190	5			
55	Tri-County	42	2			
56	Joe McCain	389	9			
57	Elk City	72	2			
58	Clinton	130	4			
59	Copan	19	1			
60	Moran S. Morris	147	4			
61	Cleveland County	60	2			
62	Harmon County	13	1			
63	Leflore County	145	4			
64	Latimer County	64	2			
65	Wash County	27	2			
66	Enid Chapter	49	2			
67	Byran County	281	7			
68	Broken Arrow	104	3			
69	Hughes County	23	1			
70	Stillwater	25	1			
71	Rush Springs	57	2			
72	A.B. Hicks	80	3			
73	Anadarko	44	2			
74	Bthny-Warr Acres (R)	173	4			
76	Nowata County	30	2			
77	Colcord Chapter	37	2			
78	Burns Flat	19	1			
79	Cordell	12	1			
80	Henryetta	39	2			
81	Tuskahoma	36	2			
82	Roger Mills County	25	1			
83	Sequeyah County	23	1			
	Department (R)		1			
	Total	10, 352	266			
	OREGON					
1	Portland (R)	854	18			
3	Eugene	199	5			
4	Oregon City (R)	162	4			
5	Yamhill County	49	2			
6	Sajem (R)	278	7			
7	Washington County (R)	50	2			
8	Jackson County	229	6			
9	Dean Perrine	215	5			
10	Webb Foct State	66	1			
11	Grants Pass	112	3			
12	Dewey Powell (R)	327	8			
14	Central Oregon	189	5			
16	Lincoln County	65	2			
17	Willamette	113	3			
18	D Day	65	2			
19	Baker	33	2			
20	S. R. Pyne (R)	56	2			
21	Blue Mountain	40	2			
22	Cottage Grove	89	3			
23	Florence	55	2			
24	Fern Ridge	78	3			
25	Dow V. Walker	239	6			
27	Hermiston	80	3			
28	Gresham-Cascade	51	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	OREGON—Continued					
32	Camp White	181	5			
36	Round Up	22	1			
38	Coquille	137	4			
40	Maximo Yabes	28	2			
41	Clatsop County	71	2			
42	Springfield (R)	122	3			
43	Albert Olson	54	2			
	Department (R)		1			
	Total	4,309	118			
	PENNSYLVANIA					
1	Wm. C. Malia	515	11	$1.50		
1	Johnstown	315	7			
3	Mountain City	272	6			
4	Harrisburg	399	9			
5	Anthracite	66	2			
6	Ruddeiw Mammucari (R)	587	13			
7	Lehigh Valley (R)	743	16			
8	Greater Pittsburgh	1,015	21			
9	Wyoming Valley (R)	1,377	29			
10	Reading (R)	305	7			
11	Mid Valley (R)	884	19			
12	S/Sgt. R. G. Holler	49	2			
13	Juniata Valley	141	4			
14	Philadelphia (R)	2,048	42			
15	Naomi (R)	589	13			
16	Keystone State (R)	546	11			
17	Doylestown (R)	151	4			
18	Bethlehem	143	4			
19	Col. A. J. Campbell	226	6			
20	Indiana Chapter	186	5			
21	Marne	317	7			
22	Liberty	308	7			
23	Forget-Me-Not Memorial	94	3			
24	Wm. F. Kerstetter	157	4			
25	Norristown (R)	635	14			
26	Jeannette	77	3			
27	Steel Valley	219	5			
28	York	175	4			
29	Mosso-Watkins	63	2			
30	Armstrong County	39	2			
31	A. Oshinski	547	12			
32	Shawnee (R)	382	9			
33	Chartiers Valley (R)	143	4			
34	Altoona	416	9			
35	Westmoreland County, Inc	221	5			
36	Sgt. Glenn Hall	446	10			
37	Crash Memorial	97	3			
38	Little Deer Creek	84	3	1.00		
39	Charleroi-Monessen	35	2			
40	A. B. Caracciolo	36	2			
41	Pocono Mountain	70	2			
42	Latroboe Chapter	60	2			
43	Cherokee	63	2			
44	Delaware Valley	29	2			
47	Susquehanna Valley	127	4			
49	Dr. F. H. Finley	49	2			
50	West Shore	440	10			
52	McKeesport	370	8			
53	Allegheny-Kiski	235	6			
54	Le Boeuf	21	1			
55	Sharon	22	1			
56	Port Allagany	16	1			
57	Sto-Ken-Rox	26	2			
58	Fayette	255	6			
61	Turtle Creek	97	3			
64	General Butler (R)	387	9			
65	Unknown Soldiers	182	5			
67	Tri-County	77	3			
68	Punxstuawney	157	4			
69	Col. C. Young	48	2			
70	DAV Amputee	82	3			
71	Ligonier Bi-Centennial	39	2			
72	McKean County	75	2			
73	Erie County (R)	388	9			
74	South Pittsburgh	102	3			
75	Warren County (R)	174	4			
76	Col. S. D. Foster (R)	1,250	26			
77	South Schuylkill	368	8			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	PENNSYLVANIA—Continued					
78	C. W. McCleary	233	6			
79	Meadville	117	3			
80	Red Rose Chapter	165	4			
81	Hershey Chapter (R)	148	4			
82	Harry H. Moyer (R)	597	13			
83	Pennsylvania Paraplegic	12	1			
84	Chester County	59	2			
87	Beaver Falls	177	5			
90	South Hills	66	2			
92	Col. J. T. Thomspon	162	4			
96	Philadelphia	653	14			
98	Cerra Leo Memorial	152	4			
100	O'Brien Chapter	52	2			
101	Philadelphia	194	5			
102	Greater West Side Memorial (R)	582	13			
105	Gettysburg	144	4			
107	Aliquippa	150	4			
110	Chambersburg	148	4			
111	Hanover	19	1			
112	Lawrence County	336	8			
113	Delaware County	639	14			
114	Wayne County Memorial	105	3			
115	East Montgomery (R)	208	5			
116	West Branch	198	5			
117	Lower Bucks County (R)	379	9			
118	State Center	169	4			
119	Broad Mountain	231	6			
120	South Philadelphia	251	6			
123	Greene County (R)	151	4			
124	West Hazleton	35	2			
125	Washington Chapter	211	5			
126	Sgt. J. Basilone	242	6			
127	Meyersdale	71	2			
128	Harford	24	1			
	Department (R)					
	Total	27,337	649			
	RHODE ISLAND					
1	Providence	459	10	$2.00		
2	Little Rhody	111	2			
3	Redmond	220	5			
4	Carpentier (R)	470	10			
6	Josiah Broadfoot	118	3			
7	Kerins Hogan	280	7			
9	Emily E. Baker (R)	234	6			
10	Cranston	285	7			
12	Poissn Cournoyer	192	5			
13	Correia Wojtyto	186	5			
14	North Kingstown	155	4			
15	Lawson Raiola	102	3			
17	Maurice H. Pion (R)	503	11			
21	Mount Pleasant	437	10			
22	Almeida-Hines	90	3			
23	Howarth-Lopes (R)	63	2			
	Department (R)		1			
	Total	3,905	94			
	SOUTH CAROLINA					
1	Alvin L. Wilson (R)	333	8			
3	Frank Montgomery	178	5			
4	Woodrow Wilson (R)	178	7			
5	Game Cock	163	4			
7	Palmetto State	23	0			
11	F. D. Roosevelt	172	4			
12	Beaufort	88	3			
13	John W. Crews, Jr. (R)	500	11			
14	Truman Et Hazel	86	3			
17	David E. McWhorter	547	12			
19	James D. Wessinger	113	3			
20	92d Buffalo	67	2			
21	Lt. James Miller	94	3			
25	Union County Memorial	41	2			
28	Clayton Durham	84	3			
30	Grandstand	104	3			
33	J. A. Cecchini	109	3	2.00		
37	Saluda (R)	177	5			
39	Green (R)	304	7			

AS OF JUNE 30, 1978—Continued

SOUTH CAROLINA—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
40	Anderson Chapter	171	4			
41	Lewis G. Watkins	34	2			
42	Greenwood	258	6			
43	Aiken	142	4			
44	L. Mendel Rivers	43	2			
45	Midlands Technical Education	7	1			
46	Rock Hill	48	2			
47	Hartsville	36	2			
48	Barnwell	14	1			
49	Liberty Chapter	45	2			
50	Cheraw Chapter	39	2			
51	Batesburg	74	2			
52	Clinton Chapter	58	2			
53	Allendale	25	1			
54	Jack E. Daniel	55	2			
55	Strickland	76	3			
56	Kingstree	33	2			
57	Conway Chapter	77	3			
58	Sgt. B. Bagwell, Jr.	114	3			
59	Westminster	25	1			
60	Newberry	47	2			
	Department (R)		1			
	Total	4,882	138			

SOUTH DAKOTA

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
1	Sioux Falls (R)	749	16			
2	Battle Mountain	231	6			
3	A. E. Stanton (R)	310	7			
4	Coyote State	35	1			
6	Watertown	305	7			
7	Mitchell (R)	126	4			
11	Sturgis	224	5			
13	Swanson O'Connor	140	4			
14	Great Plains	80	3			
17	Hevle-Heimes	191	5			
18	Oahe Chapter	113	3			
19	Milbank	27	2			
	Department		1			
	Total	2,531	64			

TENNESSEE

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
2	Lt. R. T. McCollum	131	4			
3	Nashville (R)	724	15			
4	Knoxville	123	3			
6	Chattanooga	205	5			
7	Jackson	203	5			
8	Rutherford County (R)	177	5			
9	Washington County	375	8			
10	Volunteer	40	2			
11	Silver Star	46	2			
13	Volunteer State	280	6			
16	Andrew Jackson	134	4			
17	Elizabethton	237	6			
19	White County	44	2			
20	Lawrenceburg	45	2			
21	Springfield	66	2			
22	Columbia (R)	121	3			
24	Knoxville (R)	427	10			
25	Paul Jones Memorial (R)	320	7			
26	Oak Ridge	799	3			
28	Harry Murrell	99	3			
30	Bell Marshbanks	55	2			
31	Waverly	63	2			
32	Crossville	68	2			
34	Nashville	38	2			
35	Claiborne County Memorial	41	2	$1.00		
38	Kingsport (R)	542	12			
39	Bristol Tennessee	121	3			
42	Greene County	89	3			
43	Shelbyville (R)	242	6			
44	Flowers Toler	31	2			
45	Hardy Shelby	111	3			
46	Dyersburg (R)	218	5			
47	Union City	84	3			
50	Lexington	28	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	TENNESSEE—Continued					
54	Savannah	73	2			
56	Perry County	32	2			
58	Parsons	63	2			
59	Morristown	149	4			
60	Chester County	22	1			
64	Centreville	21	1			
65	Williamson County (R)	79	3			
70	Shelby County (R)	1,043	22			
71	Winchester	104	3			
76	Blount County	125	3			
83	Clarkrange Chapter	143	4			
85	Mountain Home	187	5			
86	Kingston	66	2			
88	Red Boiling Springs	31	2			
89	Clarksville	16	1			
90	Coffee County	35	2			
91	Huntsville	26	2			
93	Sweetwater	31	2			
94	Smoky Mountain (R)	117	3			
95	Gallatin Chapter	50	2			
96	Jonesboro	31	2			
97	Sam Davis	45	2			
98	Weakley County	94	3			
99	Lincoln County	22	1			
100	Gibson County	14	1			
101	Covington	16	1			
	Department (R)					
	Total	8,242	225			
	TEXAS					
1	San Jacinto (R)	1,036	22			
2	Texas State	1,785	36			
3	Waco (R)	1,092	23			
4	Lone Star	209	5			
5	Joseph E. Sarrazin (R)	1,616	33			
6	Woodrow Wilson	293	7			
7	Jesse D. Booth	278	7			
8	Kerrville	199	5			
9	Houston (R)	764	16			
10	Borderland (R)	769	16			
11	Buddies (R)	448	10			
12	Edward B. Harney	344	8			
13	Weatherford (R)	86	3			
14	San Antonio (R)	1,113	23			
15	Sutton County	27	2			
16	Bun Lilly	228	6			
18	Sam Tyson	59	2			
20	Blue Bonnet	1,763	36			
21	Wm. G. Whatley (R)	1,216	25			
22	Heart-O Chapter	43	2			
23	Devine Chapter	58	2			
24	Valley Mills	41	2			
25	Henry M. Hein (R)	513	11			
26	J. E. Pietzsch (R)	607	13			
27	Beaumont	268	6			
29	Pearsall Chapter	23	1			
30	Borger	91	3			
31	Dallas (R)	724	15			
32	Oak Cliff (R)	878	19			
33	Ellis County (R)	155	4			
34	Creel Shropshire (R)	103	3			
35	Pampa Chapter	69	2			
36	Taylor County	379	9			
37	Bell County	272	6	$3.95		
38	McKenney	101	3			
40	Limestone	332	8			
41	Galveston County	154	4			
42	Grand Prairie	282	7			
44	R. L. Ferguson	465	10			
45	Central	190	5			
47	Big Spring	191	5			
49	Mainland	66	2			
50	Sweetwater	50	2			
52	Falls County	207	5			
53	Del Rio Chapter	61	2			
54	Texoma (R)	425	9			
55	Orange County	121	3			
56	Port Arthur	198	5			
57	Big D. Chapter (R)	424	9			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	TEXAS—Continued					
61	Guadalupe County (R)	161	4			
63	J. W. Cantrell	203	5			
64	Atascosa County	32	2			
65	San Patricio	23	1			
68	Hallettsville	28	2			
69	Bandera	26	2			
70	Wharton County	160	4			
73	East Texas and Kilgore	233	6	$2.00		
75	Brewster County	30	2			
76	Webb County	110	3	4.50		
79	Cass County	89	3			
80	Federal (R)	593	13			
81	Hunt County	280	7			
83	Nacogooches	128	4			
84	Lufkin	157	4			
85	Mineral Wells	116	3			
86	Burleson County	37	2			
88	Stephenville	185	5			
89	Paris	173	4			
94	Pearl Harbor	86	3			
95	Hidalgo County	146	4			
98	Cherokee County	80	3			
100	Bowie County	122	3			
101	Athens	148	4			
102	Marshall	216	5			
104	Liles Spraggins	156	4			
106	Denton Memorial (R)	170	4			
111	De Witt County	32	2			
113	Bridgeport	106	3			
115	San Marcos	34	2			
121	William Bill Johnson	105	3			
122	Gipson Block (R)	132	4			
126	Baytown (R)	136	4			
128	San Antonio (R)	310	7			
129	Bonham	172	4			
137	Garland (R)	216	5			
139	Brenham	77	3			
141	Roy J. Lippert	140	4			
147	W. R. Hold	326	8			
150	Ernest Peralez	305	7			
153	J. Satterwhite	25	1			
157	Arlington (R)	202	5			
158	Wood County	186	5			
159	Fort Inge	88	3			
160	Sulphur Springs	102	3			
161	Eagle Pass	120	3			
163	Comal County	99	3			
164	T. Et R. Puckett	25	1			
165	Sunshine	426	10			
166	M. W. Delong	86	3			
167	Gillespie County	112	3			
168	George S. Thurtle	80	3			
169	Victoria County	127	4			
170	Flack Garcia	17	1			
171	Burton	67	2			
172	Hebbronville	38	2			
173	Austin (R)	462	11			
174	Star Chapter	32	2			
175	Chapter (R)	406	9			
176	Alfonso Ibanez	79	3			
177	Atlanta	29	2			
179	William F. O'Farrell (R)	132	4			
180	Calhoun County	43	2			
181	Karnes County	34	2			
182	Longhorn Chapter	46	2			
183	Space City	232	6	2.00		
186	Carrollton	120	3			
187	Northeast (R)	396	9			
188	Lake Region	77	3			
190	Tri-County	44	2			
191	Free State	152	4			
193	H. E. Sheppard	32	2			
194	Pasadena Memorial	245	6			
195	Pearland Gold Star (R)	92	3			
196	Corsicana	130	4			
197	Odessa Chapter	256	6			
198	Highland Lakes	122	3			
200	Bryan-College Station	237	6			
201	Anna B. Moore	45	2			

No.	Chapters	Members	Votes	Debt	Thomp- son	son
	TEXAS—Continued					
202	Gonzales Chapter	98	3			
203	Kingsville	46	2			
204	Upshur County	84	3			
205	Center Chapter	52	2			
206	Snyder Chapter	35	2			
207	Smithville	83	3			
208	Brazosport	40	2			
209	Zapata Chapter	65	2			
210	Rockport	31	2			
211	Gen. George S. Patton	152	4			
212	Robstown Chapter	24	1			
214	Comanche Peak	85	3			
215	Lake Whitney	114	3			
216	Stephens County	47	2			
217	Taylor Chapter	51	2			
219	Sgt. James Allen	235	6			
220	Porter Chapter	60	2			
221	Vidor Chapter	35	2			
222	Wayne L. Harland	181	5			
223	Seven Points	86	3			
224	West Tawakoni	53	2			
225	John C. Wobus	26	2			
226	Clint	15	1			
227	Huntsville	32	2			
228	Trinity County	21	1			
229	Fayette County	13	1			
230	Bay City	11	1			
	Department (R)		1			
	Total	33,813	837			
	UTAH					
1	Wasatch (R)	148	4			
2	Argonne (R)	351	8			
3	Pioneer	115	3			
4	Weber (R)	442	10			
5	Bee Hive State	35	1			
6	James R. Thomas, Jr. (R)	2,526	52			
7	Dixie	97	3			
8	John W. Holden (R)	109	3			
9	Central	124	3			
11	Copper	36	2			
12	Tooele County	95	3			
14	Davis County	459	10			
15	Mirror Lake	17	1			
16	Carbor Chapter	105	3			
18	Borgstrom	104	3			
19	Vernal Chapter	16	1			
	Department (R)		1			
	Total	4,779	111			
	VERMONT					
2	Green Mountain State	91	2			
3	Bryon Morris (R)	142	4			
4	Bennington	103	3			
5	Burlington	348	8			
6	Lt. Wm. Fitzgerald	116	3			
7	Rutland (R)	215	5			
8	St. Albans	113	3			
9	St. Johnsbury	85	3			
14	Wyman Baker	77	3			
15	John Blake	113	3			
16	Jay Peak	29	2			
17	South Burlington	78	3			
18	Grand Isle	33	2			
	Department		1			
	Total	1,543	45			
	VIRGINIA					
1	Old Dominion State	412	8			
2	Lester S. Gordon (R)	126	4			
3	H. H. MacKenzie (R)	775	16			
4	Norfolk (R)	286	7			
5	Suffolk	41	2			
6	Murray Rhea Pennisula (R)	505	11			
7	General Washington	175	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	VIRGINIA—Continued					
8	Campbell-Lynchburg	282	7			
9	Stonewall Jackson	116	3	$2.00		
10	Arlington Fairfax (R)	1, 303	27			
11	Mount Vernon	244	6			
12	St. Paul Charter	22	1			
13	York County Victory (R)	47	2			
14	Page Valley	51	2			
15	Prince William County	156	4			
16	Staunton Augusta	213	5			
17	Kenneth Cox Chapter (R)	492	11			
18	Alleghany County	81	3			
19	A. T. Gammon	422	9			
20	Virginia Beach	412	9			
21	Bernard L. Hines	193	5			
22	Portsmouth Federal	5	2			
23	Carroll County (R)	137	4			
24	Harrisonburg	55	2			
25	Hopewell Chapter	99	3			
26	J. R. Graham	265	6			
27	Portsmouth	89	3			
28	Prince Edward County	46	2			
29	J. M. Wainwright	348	8			
30	Skyline	32	2			
33	Charlottesville	152	4			
35	Clintwood	230	6			
37	Galax	126	4			
39	Marion	148	4			
40	Bristol Chapter	81	3			
41	Cradock Chapter (R)	148	6			
44	Paul Long	485	11			
45	Col C. H. Hagy	502	11			
46	Russell Morris	115	3			
50	Al Bertraw, Jr	300	7			
51	Eastern Shore	165	4			
52	Paul R. Shorter	131	4			
53	South Boston	39	2			
54	Rose Hill	39	2	5.00		
	Department (R)		1			
	Total	10, 241	250			
	WASHINGTON					
1	Tacoma (R)	562	12			
2	Seattle	762	16			
3	Schumann Heink	69	2			
4	Vancouver	276	7			
5	Bremerton (R)	328	8			
6	Altman-Ruoff-Osier	1, 036	22			
7	Lee Kressler	130	4			
8	Yakima Valley (R)	848	18			
9	Port Angeles	108	3			
10	Everett (R)	394	9			
11	Evergreen State	127	3			
12	Valley (R)	233	6			
13	Sunshine (R)	437	10			
17	Wenatchee	163	4			
18	Harmony (R)	804	17			
19	Bellingham	284	7			
21	Aberdeen (R)	133	4			
22	D. J. Kerstetter (R)	101	3			
23	W. Seattle (R)	2, 564	52			
29	Lewis County	82	3			
32	Herman Rogers	153	4			
33	A One Chapter	178	5			
35	Paul H. Applegate (R)	126	4			
36	Orting Soldiers Home	61	2			
38	Grand Coulee Dam	40	2			
41	Tumwater	356	8			
42	S. Anderson, Jr	89	3			
43	East Lake	116	3			
44	Comrade	71	2			
45	Spokane (R)	324	7			
46	Tri-Cities	222	5	477.50		
47	Widbey Island	100	3			
38	Moses Lake	39	2			
49	Hugh L. McDaniel	36	2			
	Department (R)		1			
	Total	11, 316	263			

AS OF JUNE 30, 1978—*Continued*

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	WEST VIRGINIA					
1	Randolph County	60	2			
2	Huntington (R)	1,647	34			
3	Logan	145	4			
5	Pringle Tree	49	2	$1.00		
6	Parkersburg (R)	619	13			
7	Weirton	76	3			
8	Eastern Panhandle	192	5			
9	Keyser Chapter (R)	187	5			
10	Paden City	49	2			
11	Webster County	25	1			
12	McDowell County	38	2			
13	Clarksburg (R)	307	7			
14	Snake State	117	2			
15	McMechen	79	3			
16	Gassaway	63	2			
17	Williamson Chapter	104	3			
18	Beckley (R)	564	12			
19	Fairmont	229	6			
20	Lawrence Howell	27	2			
21	Shinnston	28	2			
23	Shinnston	21	1			
24	Grafton Chapter	48	2			
25	Wood County	146	4			
28	Kanawha Chapter	366	9			
29	Petersburg	33	2			
30	Summers County	31	2			
31	Princeton	210	5			
33	Mercer County	86	3			
34	Morgan County	11	1			
35	Pocahontas County	21	1			
36	French Creek	230	6			
38	Greenbrier	73	2			
40	Corricks Ford	38	2			
41	Braxton County	114	3			
45	Morgantown	90	3			
46	Summersville	52	2			
51	Weston Chapter	90	3			
	Department (R)		1			
	Total	6,165	163			
	WISCONSIN					
1	Milwaukee (R)	972	20			
2	Togstad Glenn	353	8			
3	Russell Leicht	380	9			
4	Edward B. Froelich	111	3			
5	Waukesha	142	4			
6	Stephen W. Bolles	70	2			
8	Baraboo	84	3			
9	Belle City (R)	231	6			
10	Eau Claire	254	6			
11	Welling Washbush	207	5			
12	La Crosse	229	6			
13	Badger State	224	4			
14	Dickop Hornke	171	4			
15	J. Vanthruler	249	6			
16	Pardeeville	25	1			
17	Oshkosh (R)	211	5			
18	Wm. F. Speel	83	3			
19	West Allis (R)	665	14			
20	Kenosha	242	6			
21	Chippewa County (R)	104	3			
23	Paul Marmes	151	4			
24	Manitowoc Chapter	118	3			
26	Tri-County	180	5			
27	Monroe County	201	5	2.00		
28	Washburn-Ashland	72	2			
29	Merrill	58	2			
30	Shuman Heink	263	6			
31	Rib River	27	2			
32	Richland Center	48	2			
33	Ladysmith	22	1			
34	Twin County	172	4			
35	Calder-Donstad	82	3			
36	Sgt. Truman Olson	12	1			
37	Vernon County	17	1			
38	Harry Manske	44	2			
39	Sun Prairie	11	1			
40	Grant County Chapter	38	2			
41	Marinette County	38	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	WISCONSIN—Continued					
42	Marinette	58	2			
43	Leona Chapter	22	1			
44	Milwaukee (R)	369	8			
45	Oconto County	28	2			
46	Bergstrom	117	3			
47	St. Croix County	14	1			
48	Sawyer County	17	1			
49	Lynxville-Prairie du Chien	30	2			
50	R. Seippel (R)	103	3			
52	Barron County	55	2			
53	Manawa	143	4			
54	Henry Hartsworn	123	3			
55	Wisconsin Rapids	97	3			
56	Hortonville	38	2			
57	Marshfield	58	2			
58	Lt. A.W. Frankow	65	2			
60	Columbia County	37	2			
61	Blackriver Falls	39	2			
62	Rhinelander	149	4			
63	Watertown Chapter	53	2			
64	G.C. Graven (R)	316	7			
66	Webster	80	3			
67	Mineral Point	104	3			
68	Keshena and Neopit	18	1			
	Department (R)	18	1			
	Total	8,694	232			
	WYOMING					
1	H. J. Leik	159	4			
2	Guthrie Beck (R)	402	9			
4	C. Mullock, Jr	64	2			
5	Bataan	65	2			
7	Squaw Mountain	27	2			
8	Weldon D. Moss	122	3			
9	Sheridan Chapter	124	3			
10	Pioneer State	124	2			
11	Powell	67	2			
	Department (R)		1			
	Total	1,154	30			
	FOREIGN (NO DEPARTMENT)					
1	Jose Jimmenez	83	3			
2	McKinley (R)	73	2			
3	Canadian	26	2			
4	Melbourne	36	2			
5	General J. Pershing	72	2	$47.90		
6	Metro Manila (R)	38	2	3.00		
7	Quiapo District	53	2			
8	Germany	10	1			
11	Dumaguete City (R)	80	3			
12	F. G. Arradaza (R)	26	2			
50	Foreign	124	2			
	Department		0			
	Total	621	23			
	NATIONAL BLIND (NO DEPARTMENT)					
1	National Blind 51 (R)	152	4			
	Department		0			
	Total	152	4			
	NOMAD (NO DEPARTMENT)					
52	Nomad	2,856	57			
	Department		0			
	Total	2,856	57			
	PUERTO RICO					
1	San Juan (R)	1,880	39			
2	Yabucoa	149	4			
3	Sfc. Luis Morales	209	5			
4	Ponce Chapter (R)	304	7			
5	Caguas Chapter (R)	529	12			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	PUERTO RICO—Continued					
6	Mayaguez	214	5			
7	Fajardo (R)	169	4			
8	Arroyo	54	2			
9	Guayama	94	3			
10	Quebradillas	76	3			
11	Arecibo	201	5			
12	Uudo	53	2			
13	Patillas Chapter	40	2			
14	Aguadilla	178	5			
15	St. Thomas-St. John	33	2			
16	Bayamon Chapter	288	7			
17	Juana Diaz	91	3			
18	Salinas Chapter	22	1			
19	Humacao Chapter	27	2			
20	Vega Baja	74	2			
21	Isabela	117	3			
55	Puerto Rico at Large	116	2			
	Department (R)		1			
	Total	4, 918	121			
	HAWAII					
1	Oahu (R)	884	19			
2	Maui	139	4			
3	Honolulu	303	7			
4	Wahiawa	107	3			
5	Kauai	92	3			
6	Hilo (R)	168	4			
7	Kona (R)	52	2			
8	Leeward Oahu (R)	302	7			
10	Hanele	14	1			
11	LIKM Chapter	42	2			
12	Aloha	23	1			
56	Hawaii At Large	57	1			
	Department (R)		1			
	Total	2, 183	55			
	ALASKA (NO DEPARTMENT.)					
1	Anchorage	144	4			
59	Alaska at Large	90	2			
	Department		0			
	Total	234	6			
	NATIONAL OFFICERS 1977–78					
	Oliver E. Meadows, National Commander (R)		1			
	Billy O. Hightower, Sr. Vice Commander (R)		1			
	Thomas L. Tomlinson, 1st Junior Vice Commander		1			
	Paul L. Thompson, 2d Junior Vice Commander (R)		1			
	Stan Pealer, 3d Junior Vice Commander (R)		1			
	Sherman E. Roodzant, 4th Junior Vice Commander (R)		1			
	Boniface R. Maile, National Judge Advocate		1			
	Rev. Carl Bergstrom, National Chaplin (R)		1			
	Frank J. Randazzo, Past National Commander (R)		1			
	NEC 1st District, Walter F. Morgan; Alternate, Domenick J. Romeo		1			
	NEC 2d District, J. Vincent Moynihan (R); Alternate, Rosario J. Aloisio		1			
	NEC 3d District, Metro Ostash (R); Alternate, William A. Joyce		1			
	NEC 4th District, Julio Gonzalez-Monclova (R); Alternate, C.W. Schamp		1			
	NEC 5th District, Jimmy D. Patrick; Alternate, Robert E. Miller		1			
	NEC 6th Distirct, James E. Collins (R); Alternate, Alfred D. Melton		1			
	NEC 7th District, Joseph V. Racco; Alternate, James R. Priest (R)		1			
	NEC 8th District, Albert J. Hanna (R); Alternate, Rupert G. Wimmer		1			
	NEC 9th District, Benny Daniels (R); Alternate, Henry W. Prokop		1			
	NEC 10th District, Lew Snowbeck (R); Alternate, John Russo		1			
	NEC 11th District, Samuel M. Vigil, Jr.; Alternate, Rudolph R. Vargas		1			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Thompson	Tomlinson
	NATIONAL OFFICERS 1977–78—Continued					
	NEC 12th District, George E. Egel (R); Alternate, Herman T. Harrison		1			
	NEC 13th District, Doris (Marty) Marx (R); Alternate, John Palmiter		1			
	NEC 14th District, Paul G. Freeman (R); Alternate, Jimmie S. Foster		1			
	PAST NATIONAL COMMANDERS					
	Millard W. Rice		1			
	M. Froome Barbour		1			
	Lloyd F. Oleson (R)		1			
	David M. Brown		1			
	Boniface R. Maile		1			
	Ewing W. Mays		1			
	Alfred L. English (R)		1			
	Paul E. Fredericks		1			
	David B. Williams (R)		1			
	Bill H. Fribley		1			
	William O. Cooper (R)		1			
	Francis R. Buono		1			
	Peter L. Dye		1			
	Douglas H. McGarrity (R)		1			
	William G. Dwyer (R)		1			
	Claude L. Callegary		1			
	Wayne L. Sheibon		1			
	Raymond P. Neal (R)		1			
	Cecil W. Stevenson		1			
	Edward T. Conroy		1			
	Jack O. Hicks (R)		1			
	John T. Soave (R)		1			
	Walter T. Greaney (R)		1			
	Lyle C. Pearson (R)		1			

First Junior Vice-Commander THOMAS L. TOMLINSON. Mr. Adjutant, comrades, in looking at the overwhelming vote count and as time is getting short, I wished to have the State of Michigan follow through with their rollcall before I conceded to my very good friend, Paul Thompson.

I appreciate the support of the organization for all your endeavors and all the people that have supported me. I thank you from the bottom of my heart. Let's vote a unanimous ballot for Paul Thompson for senior vice-commander. [Standing ovation.]

National Commander MEADOWS. Mr. National Adjutant.

National Adjutant ADAMS. I, Denvel D. Adams, national adjutant of the Disabled American Veterans, hereby cast one unanimous white ballot for the office of senior vice-commander, Paul L. Thompson. [Applause.]

National Commander MEADOWS. I present to you your newly elected senior vice-commander, Paul Thompson.

Second Junior Vice-Commander THOMPSON. Thank you, Commander Meadows. National officers, fellow comrades, ladies and gentlemen: You know in every contest there has to be a loser, and there has to be a winner. However, in this contest there was no winner nor a loser. I feel that Tommy Tomlinson has done an outstanding job as a national officer and department officer and chapter officer in the Disabled American Veterans.

I know that Tommy will continue to serve you well as he has in the past. I will continue to serve you and will try to improve upon my service to you, and I feel that Tommy deserves a rising vote of thanks. [Standing ovation.]

I appreciate the confidence that the comrades have shown in me in this election. I will continue to serve you to the best of my ability any whenever I can, do not hesitate to call upon me to assist you in and way that I am able. Once again, thank you for your confidence and thank you for your support. I thank you. [Applause.]

Mr. **JOSEPH HAROLD**. Comrade Commander, Harold, Boston 10. In view of the fact that there is only one candidate for first national junior vice-commander, Stan Pealer, I move that we suspend the rules of the convention and elect Stan Pealer by acclamation.

National Commander **MEADOWS**. I will offer the opportunity for a nomination from the floor, and then I will recognize the national adjutant. We are now considering the office of 1st junior vice-commander. We have one nominee proposed by the Nominating Committee, Stan Pealer.

Are there further nominations? Are there further nominations for the office of 1st junior vice-commander? Are there further nominations? Hearing none, I recognize the national adjutant.

National Adjutant **ADAMS**. I, Denvel D. Adams, national adjutant of the Disabled American Veterans, hereby cast one unanimous white ballot for Stan Pealer for the office of 1st junior vice-commander. [Applause.]

National Commander **MEADOWS**. You have elected Stan Pealer as 1st junior vice-commander. I present to you Stan Pealer of Missouri. [Applause.]

Third Junior Vice-Commander **PEALER**. Commander Meadows, Commander Hightower, delegates, distinguished guests: I am extremely honored that you have selected me to serve as your next 1st junior vice-commander. During the past year I have served as your 3rd junior vice-commander with great pride, and that pride is because of you giving me the opportunity to serve you.

And, I renew my pledge to you that I will work to the best of my ability for our Number 1 cause, the service-connected disabled veteran. I am looking forward to working with Commander-Elect Hightower throughout the coming year.

And, I would just again like to say thank you to each and every one of you for the confidence that you have shown in selecting me again for a national office. I met many great people throughout the past year as I have traveled around the country, and me being from the State of Missouri, you have shown me, you have shown me the true meaning of this organization, and that there is no doubt that there is no greater organization than the Disabled American Veterans.

And to each Commander Meadows' comments throughout the past year, and also National Commander Christian's remarks this-morning, we are going through a period of troubles with our politicians from across the country, and with the work of Commander Meadows, the endeavors he has taken throughout the year, this past year, if there is any doubt to these politicians that we are standing up and beginning to fight, they should look at our last, at our latest magazine from the National Headquarters where we have just begun to fight.

Again, thank you very much for the opportunity and the confidence, and I am deeply honored. Thank you. [Applause.]

National Commander **MEADOWS**. We will now proceed with the election of the second junior vice-commander, with nominations for the office of second junior vice-commander. Mike 2.

Mr. **William G. Dwyer**. Comrade Commander, may I approach the podium?

National Commander **Meadows**. Proceed.

Mr. **Dwyer**. Comrade Commander, national officers, delegates to this convention: I have the privilege and the honor of presenting to you the name of a comrade that I have known for years since he left theVeterans' Administration Hospital in Long Beach, after 20 months of recuperating from his wounds received in South Vietnam.

Sherman Roodzant, at the age of 22, was called to service and served in South Vietnam in the Combat Infantry. He lost a leg and he lost the use of his other leg. He was returned to the United States and spent 20 months in a VA hospital. During his hospitalization he became interested in rehabilitation of the handicapped, particularly the handicapped veteran.

He was the founder of H&W Computer Service in Los Angeles, whose purpose was to train computer programmers. He established and developed this program and trained many very severely disabled veterans to be able to obtain gainful employment.

He served in all the offices of his chapter, Lakewood 19, and subsequently served in all department elected offices. He was the first Vietnam veteran to be elected as deputy commander of a major department of this organization. Three years ago he was selected by Congressman Teague, chairman of the Science and Technology Committee of the House of Representatives, to serve on his staff in further developing research on how to provide access to all the handicapped.

He is director of the rehab. program for the staff and for the Congress. And only as recently as yesterday he chaired a committee to develop access to airlines of seats and lavatories for wheelchair and also for blinded veterans. I could stand here and extol the outstanding ability of this comrade, but the time is short, and at this time, Comrade Commander and delegates to this convention, I submit to you the name of Sherman D. Roodzant for national second junior vice-commander. Thank you. [Applause.]

National Commander **Meadows**. Mike 2.

Mr. **Jackson**. Comrade National Commander, I second the nomination of this great and young man. He has been a past department commander. He has gone through the chairs up through to the department head. Now the delegates saw fit last year to elect him as the national 4th junior vice-commander.

I can say this about that distinguished young gentleman: I firmly believe that he is capable. He has the wisdom, the gray matter, and the talent to conduct himself in such a manner that maybe I will live long enough to see him become commander of this great organization. [Applause.]

National Commander **Meadows**. We have the name of Sherman Roodzant before us. Are there further nominations? Mike 1.

Mr. **Lou Blakely**. Comrade Commander, Lou Blakely, junior vice-commander, Department of Arizona. May I approach the podium for the purpose of making a nomination?

National Commander **Meadows**. Proceed.

Mr. **Blakely**. Comrade Commander, national officers, delegates to this great national convention: James J. Murphy, Jr. has 31 years of active continuous service in the Disabled American Veterans. He has served all chairs of his chapter, including commander. He served all chairs of the department, three times as judge advocate, and is the junior past commander.

During his term as commander, the Arizona DAV membership was at an all-time high. He was recognized nationally for it. Jim has served on numerous national and department commanders on these committees. He was national sergeant at arms in 1964 and served on the National Public Relations staff.

He has received the National Distinguished Service Citation from the Disabled American Veterans National Headquarters. Jim was a combat Marine in World War II for 28 months, fighting in the Guadalcanal, Guam, and Iwo Jima campaigns. He served Arizona as director of veterans affairs for 15 years, receiving service citations from the three major veterans organizations for his outstanding service to veterans.

In 1963 Jim Murphy was the national president of the Veterans Affairs Directors. Jim has also served the great State of Arizona for many years. He is currently the executive secretary of the Arizona Racing Commission, and time will be available for him to fulfill any duties that may be required by his DAV obligation.

He also served 12 years on the Governor's and Mayor's Committees on Employment for the Handicapped. This great American has appeared before U.S. Congressional Committees and hearings, testifying for the needs of veteran cemeteries in all States, and particularly in Arizona.

The Arizona Veterans Memorial Cemetery will be dedicated on November the 11th largely due to Jim's efforts. Jim belongs to the Holy Name Society and is a past president. Also, he is a past national state vice-president of the Letter Carriers and a past national president of the Federation of Post Office Clerks.

Jim is an originator. He founded the World War II Last Men's Club and served as its first president. He founded the Friendly Sons of St. Patrick and served as its first president. He originated the Congress for God and Country and has served faithfully since its inception.

He originated the Veterans Hall of Fame of Arizona and strives for a National Veterans Hall of Fame. He was also responsible for the Department of Arizona getting a Disabled American Veterans Newspaper. Tomorrow evening, or tomorrow morning, early, I guess it is, Jim will fly to the National American Legion Convention in New Orleans to receive that organization's national award for an editorial that Jim wrote on America's First Armstice Day.

Jim received the total endorsement of the Department of Arizona at our convention in May, and this vote was reaffirmed in caucus at this great convention. Jim Murphy is one of the most qualified men to serve the Disabled American Veterans, and I am indeed honored to place the name of this great American, James J, Murphy, Jr. in nomination to the national 2nd junior vice-commander, and he will make us an outstanding one. Thank you. [Applause.]

National Commander MEADOWS. Mike 1.

Mr. GEORGE NICHOLAS. Nicholas, past department commander of Iowa member of the Scott County Chapter 2, rises for the purpose of making a second. I have long been associated with the good comrades from the State of Arizona, and particulary James Murphy, and have found that he is a true and loyal devoted friend of the disabled veterans of the United States.

It is indeed a great honor that I have the opportunity of seconding his nomination. Thank you. [Applause.]

National Commander **Meadows**. Are there further nominations for the office of 2nd junior vice-commander? Are there further nominations? If not, we will proceed with the roll call. I will recognize the national adjutant.

National Adjutant **Adams**. Your candidates' names are Murphy and Roodzant.

[Whereupon, a rollcall vote was taken by National Adjutant Denvel D. Adams for the office of national second junior vice-commander.]

AS OF JUNE 30, 1978

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	ALABAMA					
1	Tuscaloosa (R)	172	4		4	
2	Albertville	64	2			
3	Lizard State	106	2			
4	Birmingham	394	9			
5	Fayette County	38	2			
6	Klug Smith	47	2			
7	Shehan Pake	218	5			
8	Demopolis	61	2			
10	Taylor	133	4			
11	W. B. Hendrix	166	4			
12	Montgomery (R)	587	13		13	
13	Alexander City	110	3			
14	Tuskegee	11	1			
22	Coley Slater	180	5			
24	Anniston	237	6			
26	Huntsville (R)	369	8		8	
33	Chilton	44	2			
38	Arthur B. Kossow	160	4			
40	Barbour County	110	3			
41	Andalusia	86	3			
42	Sylcauga	23	1			
45	Arnold Byers	47	2			
51	James L. Daniel	110	3			
53	White Lee	308	1			
55	Wyman D. Nelson	58	2			
61	William H. Vest	143	4			
63	Muscle Shoals	179	5			
64	Rayford Atwood	115	3			
66	R. George Isaacs, Jr	140	4			
67	Butler County	39	2			
68	Lamar County	26	2			
69	Mobile	71	2			
70	Col. C. E. Young	122	3			
72	Andrew G. Faulk	28	2			
73	James P. Brown	64	2			
74	Phenix City	39	2			
75	Gadsden	181	5			
76	Cullman	140	4			
77	Jasper	68	2			
78	George Washington Carver	39	2			
79	Calera	15	1			
80	Cottondale (R)	186	5		5	
82	Bridgeport	42	2			
83	Chiloersburg	43	2			
84	Irvington	79	3			
85	Brewton	39	2			
86	Sheffield	79	3			
87	Dotham	175	4			
88	Joe Henry Malone	18	1			
89	Oxford	9	1			
91	Munford	15	1			
92	Crenshaw County	23	1			
93	Guntersville	45	2			
94	Wiregrass	171	4			
95	Twin Cities	119	3			
96	Bay	45	2			
	Department (R)		1		1	
	Total	6,336	181			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	ARIZONA					
1	Phoenix (R)	2,136	44			44
2	Cactus (R)	744	16			16
3	Flagstaff	28	2			
4	Tucson (R)	308	7			7
5	Sunshine State	95	2			
6	Casa Grande	105	3			
7	Stanfield (R)	82	3			3
8	Tri-City (R)	572	12			12
9	Show Low	25	1			
10	Kingman (R)	88	3			3
11	Louis Levey	243	6			
12	Douglas	43	2			
13	Payson	24	1			
14	Fry	73	2			
15	Marana	33	2			
16	Prescott	330	8			
17	Mount Graham	21	1			
18	Rincon Renegades (R)	739	16			16
19	Maryvale	132	4			
20	Glendale (R)	569	12		9	3
21	Riviera	20	1			
22	Scottsdale (R)	191	5			5
23	Verde Valley	104	3			
24	Sun City Star (R)	112	3			3
25	Fort Verde (R)	88	3			3
26	San Pedro Valley	61	2			
27	London Bridge	92	3			
	Department (R)		1			1
	Total	7,058	168			
	ARKANSAS					
1	Fort Smith (R)	401	9		9	
2	Lewis Carr	81	3			
3	Fayetteville (R)	388	7			
4	Bear State	200	4			
5	Hot Springs (R)	421	9		9	
6	Boone County (R)	308	7			
7	Greater Little Rock (R)	1,883	39		39	
8	Nashville	198	5			
10	John H. Dunn	276	7			
11	Warren	120	3			
12	Pine Bluff (R)	203	5			
13	Morrilton	226	6			
16	Springdale	210	5			
17	North Little Rock	109	3			
22	Prairie County	27	2			
23	Carroll County	66	2			
24	Paragould	101	3			
26	Jonesboro (R)	275	6			
27	Simpson Turner	194	5			
28	Clark County	61	2			
29	Malvern	66	2			
30	Twin Lakes	113	3			
32	Bruce Kimbrough (R)	327	8		8	
33	Camden	138	4			
34	Newport (R)	195	5		5	
35	Fifty-six	42	2			
36	Marion County	60	2			
37	Crittendon County	82	3			
39	The Paris	124	3			
40	Edwin L. Cripe	167	4			
41	White County (R)	171	4			
42	Alma	66	2			
43	Blythevill	114	3			
44	Crowley Ridge	49	2			
45	Hope	23	1			
46	Ouachita	143	4			
47	El Dorado	115	3			
48	Cossatot	60	2		2	
49	Magnolia	40	2			
	Department (R)		1		1	
	Total	7,733	192			
	CALIFORNIA					
1	Homer Blevins (R)	603	13		13	
2	San Diego (R)	3,767	76		76	
3	San Francisco (R)	1,604	33		33	
4	Sequoia (R)	200	5		5	
5	Los Angeles (R)	1,914	39		39	
6	Sacramento (R)	830	18		18	
7	Oakland (R)	828	18			
8	Alameda	88	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	CALIFORNIA—Continued					
9	Jack Ford, Jr. (R)	331	8		8	
10	C. P. Wright (R)	485	11		11	
11	San Jose (R)	1,049	22		22	
12	San Bernardino	363	8			
13	Camp Kearney-Van Nuy (R)	888	19		19	
14	Sgt. M. Sobbe	105	3			
15	Al Jordan (R)	398	9		9	
16	Edmund Parrott (R)	220	5		5	
17	Long Beach (R)	1,472	30		30	
18	G. W. Carver (R)	85	3		3	
19	Lakewood (R)	445	10		10	
20	Bakersfield (R)	621	13		13	
21	Vallejo (R)	191	5			
22	Alhambra (R)	531	12		12	
23	Jack Fisher (R)	1,193	25		25	
24	Ventura	272	6			
25	Berkeley (R)	86	3			
26	Modesto (R)	197	5			
27	Ontario	153	4			
28	Riverside (R)	353	8			
29	Pasadena-Altadena	259	6			
30	Inglewood	386	9			
32	May A. Carson	235	6			
33	Glendale (R)	449	10			
34	Bronson (R)	218	5		5	
35	American River	131	4			
36	Santa Monica (R)	455	10		10	
37	Santa Barbara	185	5			
38	South Valley Desert	69	2			
39	Antelope Valley	189	5			
40	David E. Lawton (R)	514	11			
41	Tujunga	89	3			
42	Florence	87	3			
43	Gardena (R)	389	9		9	
44	Frank C. Marpe (R)	378	9		9	
45	Memorial (R)	176	5		5	
46	Whittier	331	8			
47	Peninsula (R)	181	5		5	
48	Sonoma (R)	262	8			
49	Hollywood (R)	289	7		7	
51	San Lorenzo (R)	67	2			
52	Santa Cruz (R)	170	4		4	
53	Corona	149	4			
54	Kern River Valley	16	2			
55	Simi Valley (R)	74	2		2	
56	Golden State	1,684	34			
57	San Clemente	56	2			
59	Lodi (R)	86	3			
60	Moronga Basin	85	3			
61	Wayne H. Castle (R)	59	2			
62	Gen. H. Hap Arnold	51	2			
63	Killian Schroth	85	3			
64	El Monte	154	4			
65	Donald A. Gary CMH (R)	110	3		3	
66	Palm Springs (R)	225	5		5	
67	Pfc. Manuel Numes (R)	109	3			
68	Bruce Patterson	184	5			
70	Thomas F. Durbin	369	8			
71	Feather River	159	4			
72	Palm Desert (R)	31	2			
73	Birmingham Hospital (R)	1,000	21		21	
74	Turlock (R)	125	3			
75	Hemet-San Jac Valley (R)	242	6			
76	Union	146	4			
77	Fremont Newark	155	4			
78	Indio (R)	55	2			
79	Pacheco (R)	85	2			
80	El. J. Hubbard	91	3			
81	Suisun Fairfield (R)	303	7			
82	Santa Maria	120	3			
83	Clearlake	105	3			
84	Vacaville	39	2			
85	Gen. J. Stillwater	84	3			
86	Anderson (R)	30	2		2	
87	Fontana (R)	202	5			
88	Chino Montclair	97	3			
89	Perris-Sun City	55	2			
90	Redlands Yucaipa (R)	380	9		9	
91	Lompoc (R)	63	2		2	
92	Bill Kinnard (R)	125	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murpuy
	CALIFORNIA—Continued					
93	North Highlanders (R)	437	10		10	
94	North Orange County	770	16			
95	Tri-Cities	453	10			
96	Cambria	24	1			
97	Tulare	125	3			
98	W. S. Bellflower (R)	218	5		5	
99	Oxnard	144	4			
100	Nisei	186	5			
101	Salinas Valley (R)	798	17		17	
102	D. E. Wise	156	4			
103	Marin County (R)	113	3			
104	Twin Cities (R)	70	2			
105	Siskiyou	31	2			
106	Paradise (R)	79	3			
108	Los Angeles	214	5			
109	Azusa P. T. 109	75	2			
114	East San Jose (R)	102	3		3	
122	L. H. Benson	139	4			
123	Lillian Bushnell	166	4			
125	Chico	159	4	$4.00		
127	Colton	92	3			
128	Mount Lassen	242	6			
131	Woodland (R)	60	2			
135	China Lake	106	3			
136	Redwood City (R)	120	3			
137	Fresno (R)	243	6			
140	Kings River	49	2			
143	Retired Officers	33	2			
144	Wm. R. Hearst (R)	390	9		9	
148	Sunnyvale (R)	152	4		4	
154	Mount Diablo (R)	346	8		8	
155	Benicia	35	2			
156	Lt. C. Doyle, Jr. (R)	202	5		5	
	Department		1			
	Total	38, 653	894			
	COLORADO					
1	Zebulon Pike (R)	622	13		13	
2	San Isabel	290	7			
3	La Jara	65	2			
4	San Luis Valley	120	3			
5	Columbine	164	4			
6	George Hanis (R)	93	3		3	
7	Murphy Borelli (R)	3, 277	67		67	
8	Greeley (R)	239	6		6	
9	Grand Junction (R)	406	9		9	
10	Boulder	140	4			
11	S. L. Brown (R)	205	5		5	
12	Fremont	142	4			
13	Silver State	222	4			
14	North Central	159	4			
15	Unforgotten	76	3			
16	Longmont (R)	23	1		1	
17	Moore Demoret	124	3			
18	Arapahoe	243	6			
19	John Pershing	81	3			
20	Littleton	24	1			
21	Clyde Seiler (R)	340	8		8	
22	George G. Klumker (R)	1, 006	21		19	2
24	Lamar	77	3			
26	Knob Hill (R)	429	10		10	
30	Heart of Rockie	49	2			
32	Loveland (R)	325	7			
33	Grand County	24	1			
34	J. R. Bud Campbell	84	3			
39	Steel City (R)	680	15		15	
41	Fort Morgan	60	2			
44	Dunger Smith	80	3			
48	Durango	56	2			
49	Carbondale	16	1			
	Department		1			
	Total	9, 941	231			
	CONNECTICUT					
1	Nutmeg State	212	4			
2	New Haven (R)	452	10		10	
3	John J. Banville	351	8			
4	Derby Shelton	33	2			
5	James McNamee (R)	644	14		14	
6	Meriden Wallingford	331	8			
7	Shea C. Clark	125	3			

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	CONNECTICUT—Continued					
8	Hardware City (R)	276	7		7	
9	Waterbury (R)	445	10		10	
10	John R. Morse	139	4			
11	Union City	56	2			
12	Unknown Soldier (R)	1,498	31		31	
13	Stamford (R)	163	4			
14	Seymour Oxford	33	2			
15	Milford	138	4			
16	Fred McCarthy (R)	156	4		4	
17	Manchester	129	4			
18	West Haven	319	7			
20	C. K. Merritt	210	5			
21	Noonan Cecchini (R)	267	6			
25	Lee Hartell	341	8			
26	Jeremiah O'Brien	121	3			
30	Hamden H. Naven	104	3			
31	New Haven	267	6			
39	Willimantic	146	4			
40	Branford	47	2			
45	New Milford	45	2			
46	Torrington	150	4	$155.44		
47	H. A. Kupchunos	166	4			
48	Newington	81	3			
49	Bicentennial	47	2			
	Department (R)		1			
	Total	7,492	181			
	DELAWARE					
1	First State	131	4			
2	Blue Hen State (R)	98	2			
3	Caesar Rodney	484	11			
4	New Castle County (R)	192	5		5	
5	Richard J. Curry	106	3			
6	Milford	103	3			
7	Geo. Penuel Jr. Memorial	57	2			
8	Rehoboth Beach	16	1			
9	Seaford	15	1			
10	Robert W. Irwin	93	3			
	Department		1			
	Total	1,295	36			
	DISTRICT OF COLUMBIA					
1	Federal (R)	938	20		20	
2	National Capitol	207	5			
3	Colonel Young (R)	633	14		14	
4	King Clark (R)	205	5		5	
5	Rea (R)	266	6		6	
9	National Service (R)	335	8		8	
14	Dorie Miller	153	4			
16	Capitol Hill (R)	307	7		7	
17	D.C. at Large	112	2			
	Department (R)		1		1	
	Total	3,156	72			
	FLORIDA					
1	Jacksonville	398	9			
2	Everglade State (R)	469	9		9	
3	Sarasota	445	10			
4	Tampa (R)	2,092	43		43	
5	Tallahassee	121	3			
7	W. Washington	116	3			
8	Joe B. Game III	137	4			
9	Sunshine City	862	18			
10	Miami (R)	507	11		11	
11	Clearwater (R)	932	20		20	
12	Coral Gables	341	8	2.00		
13	Bay Pine Holiday Island (R)	728	16		16	
14	John D. Stroud	199	5			
15	Ruskin	49	2	28.70		
16	Central (R)	1,219	25		25	
17	Panama City	176	5			
18	Manatee County (R)	994	21		21	
19	Lake Worth	362	8			
20	Lake City	85	3			
21	Beverly Hills	104	3			
22	Jackson County	124	3			
23	Al Gray	751	16			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	FLORIDA—Continued					
24	Miami Beach Surfside	278	7			
25	Sulphur Springs	471	10			
26	Southside	231	6			
27	Leon County	13	1			
28	Polk County	384	9			
29	Pembroke Pn-Miramar (R)	17	1		1	
30	Seminole (R)	340	8			
31	Ocala	219	5			
32	J. L. Golightly (R)	507	11		11	
33	Key West (R)	335	8		8	
34	Gene Evans	99	3			
35	Broward County (R)	274	6		6	
36	Gadsden County	27	2			
37	Davie	14	1	$1.50		
38	Orange Park	63	2			
39	Sgt. D. W. Mullins	293	7			
40	Frank Oliver, Jr. (R)	1,509	31		31	
41	South Broward County (R)	784	17		17	
42	Palm Beach (R)	469	10			
43	Hieleah-Miami Springs (R)	1,733	36		36	
44	North Miami	39	2			
45	Hood-Abernathy	73	2			
46	South Pasadena	268	6			
47	Carol Cy-Opa Locka	20	1			
48	Taylor County	17	1			
49	Ridge	14	1			
50	Central Brevard	170	4			
51	Beaches	15	1			
52	Waldo Buddy Bruns	11	1			
53	New Smyrna Beach	42	2			
54	B. I. Washington	28	2			
56	Henry McGauley	167	4			
57	Crestview	125	3			
59	Dade City	128	4			
64	Plant City	203	5			
65	Zephyrhills	128	4			
67	Cada Haddon	222	5			
69	Homestead Roadlands (R)	308	7		7	
70	Citrus County	149	4			
72	Playground	499	11			
74	Sgt. A. Lehman	156	4			
75	Caloosahatchee	453	10			
76	John W. Bias	43	2			
78	New Port Richey	654	14			
81	North Miami Beach (R)	397	9		9	
82	R. L. Cochran, Jr	170	4			
83	Brandon	235	6	2.00		
84	Holly Hill (R)	578	13		13	
85	L. O. Gravely, Jr	106	3			
86	Jim Bode	112	3			
87	William E. Hill	297	7			
88	Lemon Bay	82	3			
89	Roger Segers	52	2			
90	Gator	265	6	2.00		
91	Pinellas Park	660	14			
92	Sgt. D. Ledgerwood	205	5			
93	Cpl. Louis C. Goi (R)	383	9		9	
94	G. Gustafson	106	3			
95	Orange Blossom	111	3			
96	John T. Hensley	136	4			
97	Osprey	108	3			
98	Euchee Valley	92	3			
100	Ridge Carillon	120	3			
101	Venice Gulf	229	6			
102	Choctawatchee	84	3			
103	Dunedin (R)	385	9		9	
104	Mid Florida	317	7			
105	Falling Waters	82	3			
106	Bay County	210	5			
107	Colin P. Kelly, Jr	95	3			
108	James D. Rade	134	4			
109	Titusville	153	4			
110	Riverview	168	4			
111	Peace River	108	3			
112	Bay Area	167	4			
114	Clay County	111	3			
115	Jess Thomas	134	4			
116	Martin County—H. Butler (R)	175	4		4	
117	Collier County	128	4			
118	Miracle Strip	53	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	FLORIDA—Continued					
119	Cy North Lauderdale (R)	319	7		7	
120	Land-O-Lakes	113	3			
121	Salt Springs	59	2			
122	Marathon	61	2			
123	Space Coast	381	9			
124	Ex-Prisoner of War	104	3			
125	Santa Rosa	100	3			
126	Suwannee Memorial	82	3			
127	Gateway (R)	330	8		8	
129	South Brevard Beaches	167	4			
130	R. Palmer Big Lake	75	2			
131	Freeport	26	2			
133	S/Sgt. John Reddy	117	3			
134	Pvt. R. McTureous	81	3	$10.00		
135	Richard W. Goode	114	3			
136	Key Largo-Monroe County	35	2			
137	Osceola	38	2			
138	Plantation (R)	208	5		5	
139	Suncoast (R)	96	3		3	
	Department (R)		1		1	
	Total	32,657	771			
	GEORGIA					
1	Wm. E. Tate (R)	1,003	21		21	
2	J. B. Connaly	214	5			
3	Cordele	85	3			
4	Huff Vinson	28	2			
5	Dalton	150	4			
6	John Woodall	281	7			
7	Muscogee	483	11			
8	Savannah	401	9			
9	McCrary Adams (R)	817	17		17	
10	Pendleton King (R)	928	20		20	
11	Woodrow Wilson	79	3	2.00		
12	South Cobb County	77	3			
14	Emory P. Bass Memorial	244	6			
15	Thurmond-Moon	12	1			
16	Luke Morgan	43	2			
17	Willie C. Burreal	36	2			
18	P. Williams (R)	78	3		3	
19	Brooks County	39	2			
20	Cracker State	759	15			
21	Tri-County	83	3			
22	Hall County	141	4	5.00		
23	Little White House	94	3			
24	Coosa Valley	81	3			
25	Clinch County	111	3			
26	George D. Troop	101	3			
27	Dick M. Lynch	73	2			
28	M. Nicholes	104	3			
29	Eastman	30	2			
30	Cook County	44	2			
31	Lagrange	38	2			
32	Tallapoosa	20	1			
33	Donald A. Moody	168	4			
34	Laurens County	181	5			
35	Isaac J. O'Neal Memorial	39	2			
36	Golden Isles	124	3			
37	Polk County	16	1			
38	Tifton	39	2			
39	Barnesville	53	2			
44	Columbus	80	3			
45	John D. Black	101	3			
46	Hinesville	30	2			
47	Lincoln County	11	1			
48	Moultrie	16	1			
49	James H. (Sloppy) Floyd	18	1			
50	Ray Williams (R)	55	2			
51	Etowah Valley	20	1			
56	Fountain City (R)	635	14			
58	West Georgia	21	1			
59	Evans County	24	1			
60	Barrow County	62	2			
61	Charles Ray King	34	2			
62	Coweta County	18	1			
	Department (R)		1			
	Total	8,422	222			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	IDAHO					
1	Caldwell	101	3			
2	Boise (R)	479	11			
3	Pocatello (R)	261	6			
4	Benewah County	16	1			
5	Stradley	318	7			
6	Yellowstone	247	6			
7	Latah County	14	1			
8	Gem State	47	1			
9	Fort Sherman (R)	214	5			
10	Mini Cassia	92	3			
11	Border	36	2			
13	Nampa	250	6			
15	Audie Murphy	89	3			
16	Shoshone County (R)	102	3			
17	Jim McNamara (R)	138	4			
18	Lewiston	148	4			
20	Salmon	32	2			
21	Emmett	44	2			
22	Ada County (R)	133	4			
23	Payette County	83	3			
24	Valley County	17	1			
25	Priest River	72	2			
27	Lava Hot Springs	23	1			
28	Bonners Ferry	18	1			
	Department (R)		1			
	Total	2,974	83			
	ILLINOIS					
1	Peoria	691	15			
2	Chicago	921	19			
3	Alton	270	6			
4	Woodrow Wilson	301	7			
5	Chateau Thierry	125	3			
6	J.H. Patton (R)	511	11			
7	Effingham	207	5			
8	Champaign County	228	6			
9	Rock Island County	128	4			
10	Heart of Chicago	144	4			
11	Harold R. Heap	407	9			
12	North Shore Memorial (R)	125	3			
14	Prairie State (R)	528	11			
15	Hall Hagler (R)	836	18			
16	Lake County Memorial	233	6			
17	Decatur and Macon Counties	246	6			
18	John W. Unger	233	6			
19	Hal Carr	144	4			
21	Massac County	32	2			
22	West Towns	459	10			
24	Forget-Me-Not	312	7			
25	Southtown	353	8			
26	Saline County Memorial	25	1			
27	Oak Park	101	3			
28	Gold Stripe (R)	107	3			
29	Black Hawk Life (R)	256	6			
30	Coles County	85	3			
32	Quincy Adams County (R)	237	6			
33	Verdun (R)	667	14			
34	R. G. Mann	148	4			
36	White Eagle (R)	189	5			
38	Northwest (R)	194	5			
40	Logan Square	242	6			
41	Newton	34	2			
42	Federal Service (R)	1,141	24			
43	Chester Mozdzen	71	2			
44	Flynn Marum (R)	125	3			
45	Uptown	251	6			
46	T. J. Decourcy Memorial (R)	253	6			
47	Business and Professional (R)	218	5			
50	George I. Bush	33	4			
51	Franklin County	220	5			
53	Quad City (R)	238	6			
54	Richard F. Jacobs (R)	192	5			
55	South Suburban	332	8			
58	Lasalle County	204	5			
60	McLean County (R)	220	5			
62	White County	54	2			
63	Richland County	88	3			
66	Shawnee Hills	34	2			
69	Jackson County	112	3			
71	Williamson County	146	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	ILLINOIS—Continued					
74	Central	43	2			
75	Egyptian Gateway	96	3			
77	Robert Hardy Memorial	48	2			
78	Randolph County	98	3			
79	Lansing	44	2			
80	Dwight	102	3			
81	Golconda	43	2			
82	Leatherneck	23	1			
83	Stars and Stripes	51	2			
84	Tricentennial (R)	201	5			
85	Stephenson County	29	2			
86	Chief Shabbona (R)	31	2			
87	Macoupin County	16	1			
88	Rock River Valley	16	1			
89	McDonough County	14	1			
90	Jack Graichen Memorial	26	2			
91	Williamsburg Hill	29	2			
	Department (R)		1			
	Total	14,661	36			
	INDIANA					
1	Elmer Pond (R)	845	18			
2	Lt. Col. C. Bailey	144	4			
3	Dr. Worthington (R)	738	16			
4	Ypres	57	2			
5	Marion	173	4			
6	South Bend (R)	1,224	25			
7	James B. Gresham	505	12			
8	Lieutenant Smelser	108	3			
9	Leon Von Schepper (R)	293	7			
10	Vincennes	198	5			
11	Carry On	125	3			
12	Anderson (R)	292	7			
13	Hoosier State	195	4			
14	French Lick	31	2			
15	Goshen Memorial	595	13			
16	G. Rogers Clark	312	7			
17	Hammond	333	8			
18	Gibson County	249	6			
19	Elkhart	781	17			
20	Orleans	134	4			
21	Gary	309	7			
22	Batesville	53	2	$1.00		
23	Michigan City	274	6			
24	F. J. Barr	43	2			
25	Muncie	173	4			
26	Royal W. Grubbs	33	2			
27	Lafayette	131	4			
28	Kokomo	116	3			
30	Raymond Tucker	25	1			
31	Columbus	123	3			
32	Omar Bundy	63	2			
33	Crawfordsville	83	3			
34	Martinsville (R)	63	2			
35	Indiana University Campus	43	2			
36	Posey County	32	2			
37	Robert Mauder	44	2			
38	Frankfort	109	3			
39	White Eagle	79	3			
40	Fort Wayne	66	2			
41	Shelby Memorial	95	3			
42	Marshall County	58	2			
43	Baron Dekalb Memorial	45	2			
44	Huntington County	47	2			
45	Lagrange	26	2			
46	Washington	83	3			
47	Rockport	14	1			
48	Aurora 7 Memorial	79	3			
49	Fred Uhl	39	2			
50	Warsaw	46	2			
51	Ninevah	32	2			
52	Indianapolis (R)	996	21			
53	Cass County	106	3			
54	Bluffton	56	2			
55	Madison	78	3			
56	Monticello	44	2			
57	Brownsburg	76	3			
58	Randolph County	21	1			
60	Greenwood	49	2			
64	J. Waybright	38	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	INDIANA—Continued					
65	Winamac	32	2			
66	G. Reynolds	102	3			
67	Blackford County	80	3			
70	Rushville	21	1			
71	Crane	25	1			
72	Salem	87	3			
74	Bicknell	70	2			
75	Dearborn County	144	4			
76	Bicentennial	21	1			
77	Dubois County	288	7			
78	Boonville	52	2			
79	Leonard Doliana	68	2			
80	Crown Point	74	2			
85	Perry County	112	3			
88	Newton County	18	1			
89	Hamilton County	118	3			
90	Franklin County	78	3			
91	Adams County	95	3			
94	Crawford County	53	2			
99	Greene County	43	2			
100	Mishawaka	16	1			
	Department (R)		1			
	Total	12, 819	336			
	IOWA					
1	Wapello	145	4			
2	Scott County (R)	206	5			
4	Michael Houchin	183	5			
5	Col. Don Macrae	174	4			
6	Fighting Back	155	4			
7	Marshalltown	42	2			
8	Hamre Giesen	75	2			
10	Cedar Rapids	207	5			
11	King Marson (R)	227	6			
15	Knoxville	57	2			
17	Carry On	76	3			
18	Hawkeye State	188	4			
19	Old Gold	90	3			
20	Des Moines (R)	717	15			
21	Mahaska	192	5			
22	Clarion	18	1			
23	Newton	22	1			
26	Silver Star	34	2			
27	Verdun Pearl Harbor	157	4			
29	Webster County	211	5			
32	James Denny	65	2			
33	Buena Vista	407	9			
36	Atlantic	47	2			
42	Carroll County	29	2			
53	Business and Professional (R)	54	2			
54	Sioux City (R)	569	12			
57	Glenwood	119	3			
58	Heartland of Iowa	53	2			
59	Great Lakes Area	82	3			
	Department (R)		1			
	Total	4, 601	120			
	KANSAS					
1	Wyandotte County (R)	281	17			
2	Pittsburg	111	3			
3	Topeka (R)	697	15			
4	Wichita (R)	882	19			
5	Parsons	103	3			
6	Bourbon County	33	2			
7	Leavenworth	74	2			
8	Greenwood County	35	2			
9	Butler County	41	2			
10	Foster	73	2			
11	Loren T. Manning (R)	170	4			
12	Sunflower State	65	1			
13	Dodge City	80	3			
15	Independence	78	3			
16	Pearl Harbor	135	4			
17	Liberal	45	2			
20	Marshall County	140	4			
22	Jayhawk	90	3			
25	Neosho County	51	2			
27	Great Bend (R)	129	4			
28	Manhattan	62	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	KANSAS—Continued					
32	Atchison	24	1			
33	Coffeyville	109	3			
34	Johnson County (R)	314	7			
35	Dwight W. Pralle	59	2			
36	Lyon County (R)	49	2			
37	Clay County (R)	61	2			
38	North Central Kansas	59	2			
39	Ark Valley	26	2			
	Department (R)		1			
	Total	4,616	121			
	KENTUCKY					
1	Lexington	906	19			
2	Ashland	123	3	$2.00		
3	Elizabethtown	216	5			
4	Owensboro	330	8			
5	Bcwling Green	178	5			
6	Louisville (R)	801	17			
7	Paducah	222	5			
8	Jouett Henry	429	10			
10	Tompkinsville	53	2			
11	Ohio County	36	2			
15	Fort Thomas	33	2			
18	Andy J. Blanton	654	14			
19	Twin City	555	12			
20	Glascow	151	4			
22	Corbin	245	6			
23	Corncraker State	528	11			
26	Falmouth	81	3			
32	Brownsville	47	2			
34	Tom King	88	3			
37	Trauth Weigand	63	2			
41	Casey County	83	3			
45	Russellville	97	3			
47	Pulaski County	216	5			
48	Rockcastle County	38	2			
49	L. A. Mobley	28	2			
50	M urray	40	2			
51	J. B. Glover	138	4			
54	Mercer County	169	4			
55	Madison County	287	7			
56	Three Wars	177	5			
58	Four Wars	68	2			
60	Central City	46	2			
64	Hazard	278	7	1.00		
66	London	199	5			
70	Taylor County	43	2			
73	Clinton County	56	2			
81	Lee County	183	5			
89	Hi Land (R)	989	21			
90	Williamsburg	122	3			
92	Lawrence County	62	2			
94	Daniel Boone	129	4			
98	Latonia	25	1			
103	Powell County	26	2			
105	Wayne County	113	3			
106	Graves County	717	15			
108	Sgt. Joseph DeWitt (R)	118	3			
111	West Kentucky	81	3			
112	Gilbert Young	43	2			
116	Campbell County Memorial (R)	184	5			
117	Fulton	16	1			
118	Benton	317	7			
122	Coalfields	190	5	2.00		
125	Franklin County	16	1			
126	Whitley City	34	2			
127	Tri-County	39	2			
128	Garrett	664	14			
129	Dr. E. M. Boardman	188	5			
131	Leslie Myers	37	2			
132	Morgan County	139	4			
133	Leslie County	214	5			
134	Pikeville	339	8			
135	Jackson	67	2			
136	Paintsville	149	4			
137	Manchester	85	3			
139	Bi-Centennial	83	3			
140	Elkhorn City	116	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	KENTUCKY—Continued					
141	Belfry	10	1			
142	Inez	28	2			
143	Bath County	95	3			
144	Henderson	48	2			
145	Bob Jakob Memorial	41	2			
146	Butler County	34	2			
147	Grayson	49	2			
	Department (R)		1			
	Total	13,492	347			
	LOUISIANA					
2	Lafayette	187	5			
3	Markham Cambre	133	4			
4	St. Martinville	30	2			
5	Capitol City (R)	308	7			
6	C. Chesney (R)	128	4			
7	Central Louisiana	286	7			
8	McClendon	133	4			
9	Lafourche-Terrebne	37	2			
10	Felix L. Veau	589	13			
11	Creole State	210	4			
12	Catahoula-Lasalle	13	1			
13	B. J. Daly	239	6			
14	Evangeline	25	1			
15	Alvin E. Armstrong (R)	318	7			
16	Tangi Parish	92	3			
17	Louis L. Lust	255	6			
19	Acadian	123	3			
20	Beauregard Parish (R)	67	2			
21	Sabine Parish	69	2			
22	Farmerville	28	2			
23	Delhi	20	1			
24	Reserve	51	2			
25	St. Tammany Parish (R)	54	2			
26	Winnfield	41	2			
27	Winnsboro	25	1			
29	Bastrop	43	2			
30	Shreveport Bossier (R)	862	18			
31	James Stennett	31	2			
32	Wash Parish	49	2			
33	John P. April	260	6			
34	Covington	19	1			
36	St. Bernard, Inc. (R)	557	12			
40	John Ellis Mays	135	4			
42	B. G. Metoyer	75	2			
43	Monroe	27	2			
44	Lafayette	46	2			
45	Jambalaya	57	2			
47	Mansura	192	5			
	Department (R)		1			
	Total	5,814	154			
	MAINE					
1	John F. McPherson	686	15			
2	Pine Tree State	13	0			
3	Portland	270	6			
4	Biddeford Saco	245	6			
5	Dirigo	201	5			
6	John F. Kennedy (R)	424	9			
9	St. John Valley	104	3			
10	Smart-Ricker	122	3			
11	Emilien Hamann	573	12			
13	Robert L. Stover	95	3			
14	Byron Atwood Buck	102	3			
15	Lavallee-Garrison	77	3			
16	Hall and Coiley	34	2			
17	Houlton	40	2			
18	Eugene R. Boisvert	126	4	$10.20		
19	Thomas W. Bazemore	50	2			
21	Al and Ted Gauthier	43	2			
22	Bernard L. Coro	32	2			
	Department (R)		1			
	Total	3,237	83			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	MARYLAND					
1	Baltimore (R)	1,393	29			
2	Fort Washington	315	7			
3	L. L. Merrill, Sr.	347	8			
4	Ernie Pyle (R)	887	19			
5	Washington and Lee	248	6			
6	Old Line State	51	1			
7	Omaha Beach (R)	589	13			
8	Baltimore County	154	4			
9	Central Maryland	47	2			
10	Beth. Chevy Chase (R)	226	6			
11	Unity	326	8			
12	Rockville Memorial	303	7			
13	Glen Burnie	352	8			
14	R. S. Tagg, Jr.	225	5			
15	F. McLhinney	219	5			
16	Free State	646	14			
17	Gen. M. J. Maas (R)	813	17			
18	Towson	266	6			
19	Salisbury	253	6			
20	Southern Maryland	55	2			
21	Dundalk (R)	426	10			
22	Old Glory	111	3			
23	George H. Seal Memorial	753	16			
24	BOASI	171	4			
25	Prince Georges (R)	140	4			
26	St. Marys	141	4			
27	Oriole	41	2			
28	Cecil County	100	3			
29	Mountain Top	52	2			
30	Bel Air	287	7			
31	Cambridge	77	3			
32	Indian Head	25	1			
33	Odenton	16	1			
	Department (R)		1			
	Total	10,055	234			
	MASSACHUSETTS					
1	Bay State (R)	1,181	24			
2	Queen City	703	15			
3	Silver Star	228	6			
4	Worcester (R)	1,138	24			
5	J. W. McAuliffe Memorial (R)	195	5			
6	Lawrence J. Heron (R)	317	7			
7	Dr. C. E. Burt	274	6			
8	Fred S. Murphy (R)	226	6			
9	William S. Green (R)	459	10			
10	Boston (R)	1,975	40			
11	Westover	163	4			
12	Bourne	78	3			
13	Dorchester (R)	411	9			
14	Watertown	178	5			
15	Pittsfield (R)	31	2			
16	Cambridge (R)	248	6			
17	Navy Yard (R)	1,187	25			
18	Andover	72	2			
19	Chicopee	168	4			
20	Hannah Dustin	312	7			
21	Mystic Valley-Gold Star (R)	356	8			
22	South Boston (R)	532	12			
23	W. J. Farrell (R)	364	8			
24	Noe P. Valois Memorial	318	7			
25	Edith N. Rogers	718	15	$2.00		
26	Professional and Business (R)	104	3			
27	Somerville (R)	689	15			
28	Minute Man (R)	265	6			
29	Braintree	903	19			
30	S. A. Spadafore	271	6			
31	William P. Connery, Jr.	65	2			
32	Brockton V. A. Hospital	540	12			
33	Scott Vetterling	94	3			
34	South Boston (R)	55	2			
35	Marshfield Memorial	160	4			
36	Pvt. W. L. Sukefrth	193	5			
37	Reading (R)	213	5			
38	Pfc. D. O. Atwood	29	2			
39	Randolph Memorial	256	6			
40	E. A. Iwomey, Sr.	489	11			
41	Edward Drake (R)	203	5			
42	Dedham (R)	58	2			
43	Townsend Memorial	99	3			
44	J. F. Kennedy (R)	1,632	34			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	MASSACHUSETTS—Continued					
45	Waltham (R)	313	7			
46	Athol	102	3			
47	Billerica	169	4			
48	Dr. J. J. Brennan	78	3			
49	Arlington	330	8			
50	Rockland	153	4			
51	Everett	223	5			
53	Webster	200	5			
55	Agawam W. Springfield (R)	249	6			
56	Westcott Houghton	280	7			
57	W. F. Reardon (R)	233	6			
58	Gen. G. S. Patton, Jr.	51	2			
60	Edwin S. Shopek	173	4	$2.00		
62	Edward Rood Memorial	116	3			
63	William S. Burdick (R)	190	5			
64	E. F. Gilmore (R)	416	9			
65	Ralph Talbot	125	3			
66	Department Public Works	33	2			
67	Massachusetts Women Vets	13	1			
68	Springfield	494	11			
70	Gardner (R)	125	3			
74	Gloucester	127	4			
75	Belchertown Life	96	3			
76	Brockton	281	7			
77	East Boston	139	4			
78	Jamaica Plain	80	3			
79	Quincy and Cavanagh	350	8			
80	Gen. G. M. Dodge (R)	133	4			
81	Falmouth Memorial	91	3			
82	Salvatore Padula (R)	289	7			
83	Beverly	72	2			
84	Salem (R)	414	9			
85	D. W. Clifford	406	9			
88	Woburn (R)	258	6			
89	V. A. Hospital	244	6			
90	Norwood (R)	536	1			
92	Northampton	168	4			
93	Sgt. P. S. Green (R)	140	4			
94	Ludlow	154	4			
96	Cape Cod	531	12			
99	Lynn Memorial	83	3			
100	Peabody	284	7			
101	Southbridge	140	4			
105	New Bedford	186	5			
106	William Tattersall	86	3			
109	David M. Cleary	90	3			
110	Tewksbury	122	3			
111	Brookline	253	6			
112	Revere Beach	204	5			
113	William Hurley	185	5			
114	Earl W. Harvey (R)	289	7			
115	Saugus (R)	239	6			
116	A. F. Seagrave	112	3			
118	H.S. Nickerson (R)p	206	5			
119	Whitman	245	6			
	Department		1			
	Total	29,449	689			
	MICHIGAN					
1	Keane-Rankin-Detroit (R)	2,704	55			
2	William A. Smith, Jr. (R)	1,810	37			
3	Genesee	1,193	25			
4	Saginaw	499	11			
6	Buck Crosby	505	11			
7	Efred Lynn (R)	350	8			
8	Capital City	1,118	23			
9	Robert King, Jr. (R)	904	19			
10	William Sparks	430	10			
11	William Scott Wood (R)	428	10			
12	Port Huron (R)	475	10			
13	Washtenaw County	534	12			
14	Holland	436	10			
15	Ensign H. Robinson	121	3			
16	Pontiac (R)	606	13			
17	Twin Cities	511	11			
18	Mecosta County	89	3			
19	South Oakland	1,123	23	194.68		

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	MICHIGAN—Continued					
20	Lenawee	272	6			
22	Marquette	136	4			
23	Cloverland	345	8			
24	Delta County (R)	280	7			
25	Menominee County	170	4			
26	Manistique	91	3			
27	Copper Country	160	4			
29	Leskey Dulek	89	3			
30	Harold Snyder	130	4			
31	Chief Petoskey	127	4	$4.00		
32	Gratiot County	104	3			
33	Wolverine State (R)	10, 303	206			
36	Stuck Klintworth	119	3			
38	Allen Alto	314	7			
39	Inland Lakes	204	5			
40	E. Thomas	259	6			
42	Dundee	79	3			
43	Salt City	213	5			
44	McComb County	287	7			
45	Marvin A. King, Jr. (R)	236	6			
48	Dr. L. Geerlings	153	4			
50	Mathew Labric	108	3			
51	Cpl. Ian M. Gray (R)	992	21			
52	O'Connor Reinhart (R)	236	6			
54	Huron County	143	4			
55	Amon Brothers	266	6			
56	Ben F. Shively	121	3			
57	Van Buren County	104	3			
59	Oceana County	133	4			
60	Detroit East Side	649	14			
61	Thunder Bay (R)	340	8			
62	Doyle Burke	249	6			
63	Shizwassee County	109	3			
64	Clinton County	83	3			
65	Calhoun County	60	2			
66	Northland	203	5			
67	Chippewa	96	3			
68	Hillsdale	91	3			
69	Munising	111	3			
73	Ogemaw Hills	87	3			
74	Hiawatha	81	3			
75	Sanilac	64	2			
76	Lake Superior (R)	97	3			
79	Floral City	251	6			
83	Colonel Hamtramck	273	6			
86	Alex Martin (R)	420	9			
87	Vineyard	57	2			
88	Jack Johnston	141	4			
89	Cass County (R)	103	3			
90	Cheboygan	161	4			
91	Mirror Lake	77	3			
92	Paul Bunyon	56	2			
93	Straits	34	2			
94	Maidland County (R)	145	4			
95	Deer Park	38	2			
96	Robert Bo Malish	142	4	9.50		
98	Gaylord Alpine	142	4			
102	Sydney J. Allen (R)	311	7			
103	Pfc. J. Iazelaar	255	6			
104	Crystal Falls	31	2			
106	Flat River	73	2			
107	East Detroit	355	8			
108	Florentine	50	2			
111	Allen Park (R)	618	13			
113	Redford Township (R)	1, 352	28			
114	Livonia (R)	728	16			
115	Dr. P. H. Willston	76	3			
116	Lindoln Park	240	6			
117	Haley Brothers	266	6			
118	Roseville	293	7			
119	St. Clair Shores (R)	494	11			
120	Wayne	260	6			
121	Sgt. D. L. Fisher (R)	432	10			
122	Goodrich Skidmore	563	12			
123	P. T. Fitzpatrick (R)	275	6			
126	Valentyne Paul (R)	105	3			
127	Biebuyck-Romano (R)	742	16			
129	Robert H. Cox (R)	258	6			
130	Tawas Bay	106	3			
131	Sterling Heights	151	4			
132	Preque Isle	65	2			

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	MICHIGAN—Continued					
133	Raymond Wilcox	58	2			
134	Gateway	108	3			
135	Mid State	12	1			
	Department (R)		1			
	Total	42,647	954			
	MINNESOTA					
1	Minneapolis (R)	3,460	70			
2	St. Paul (R)	1,234	26			
3	Golob (R)	249	6			
4	Cloverleaf	65	2			
5	Red Wing	231	6			
6	Gilbert W. Nordman	316	7			
7	Bemidji	247	6			
8	Gopher State	38	1			
9	St. Cloud	247	6			
10	Mankato (R)	273	6			
11	Aitkin	87	3			
12	Morrison County	88	3			
13	Itasca County	194	5			
14	Crookston	100	3			
15	New Ulm	184	5			
16	Glaydon Iverson	154	4			
17	Washington County	95	3			
18	Carlton County	110	3			
20	Faribault (R)	177	5			
22	Crow Wing County	164	4			
23	Kolstad	208	5			
24	Montevideo	130	4			
25	Fergus Falls	131	4			
27	Arnold Brandt	93	3			
28	Mayo	159	4			
29	Alexandria	82	3			
30	Swanson-Foss	49	2			
31	Lakeland	254	6			
32	South Central (R)	119	3			
33	Southwest	54	2			
34	West Central	42	2			
	Department (R)		1			
	Total	9,034	213			
	MISSISSIPPI					
1	Lt Col. J.F. Short	91	3			
2	Bayou State (R)	329	7			
4	Hattiesburg	119	3			
5	R.W. Veal (R)	1,097	23			
8	Fleet Johnson	157	4			
9	Washington County	74	2			
11	Spencer H. Dawson (R)	630	14			
16	Adams County	44	2			
19	Lamar County	39	2			
20	Biloxi	106	3			
22	Vicksburg	120	3			
26	Calhoun County	124	3			
29	Grenada County	69	2			
37	Stewart G. Smith	226	6			
38	Joseph T. Lyon	122	3			
40	Elmo P. Smith	100	3			
42	Chickasaw County	91	3			
43	Lee County	344	8			
44	Yalobousha County	25	1			
46	Jackson County	30	2			
47	Pearl River	28	2			
48	D. J. DePriest	113	3			
50	Hancock County	78	3			
51	Max R. Idom	54	2			
52	George County	30	2			
53	Humphrey County	7	1			
54	Montgomery County	43	2			
55	Roland Sullivan	201	5			
56	Lauderdale County	23	1			
56	Wayne County	58	2			
58	G. W. Fulton	34	2			
	Department (R)		1			
	Total	4,606	123			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	MISSOURI					
1	St. Louis (R)	5, 556	112			
2	E. Schumann Heink (R)	1, 801	37			
3	Oregon County	81	3			
4	Butler County (R)	452	10			
5	Old Glory	89	3			
6	St. Joseph	170	4			
7	Wayne County	35	2			
8	Texas County	81	3			
10	Queen City (R)	451	10			
11	Orlan Smith Memorial	571	12			
12	St. Francois County	153	4			
13	Mark Twain	100	3			
14	Nevada	124	3			
16	Cape County (R)	401	9			
17	Oliver Buehrle (R)	402	9			
21	Show Me State	234	5			
42	Moberly	74	2			
43	West Plains	94	3			
45	Perryville	103	3			
46	Gen. John Pershing	41	2			
47	Ken Sisler	44	2			
48	North Missouri	27	2			
49	Gasconade	35	2			
	Department		0			
	Total	11, 119	245			
	MONTANA					
1	Gateway	126	4	$1.50		
2	Great Falls	533	12			
3	Lewis Et Clark (R)	435	10			
4	Flathead	228	6			
5	Garden City	263	6			
6	Butte	278	7			
7	Columbia Falls	61	2			
8	Treasure State	3	0			
9	C. E. Andrews (R)	46	2			
10	Billings	400	9			
11	Argonne	96	3			
12	Bozeman	112	3			
13	Anaconda Memorial	103	3			
14	Havre	144	4			
15	Shelby	80	3			
16	Sidney	58	2			
17	Rocky Mountain	46	2			
19	Miles City	156	4			
20	Polson Chapter	71	2			
	Department		1			
	Total	3, 239	85			
	NEBRASKA					
1	Cornhusker State	6	0			
2	General MacArthur (R)	1, 078	23			
3	North Platte	127	4			
7	Robt. Flansburg (R)	968	20			
8	Norfolk	129	4			
9	Hastings	407	9			
10	Scottsbluff	115	3			
11	Grand Island	192	5			
12	Alliance	28	2			
13	McCook	72	2			
14	Midway	115	3			
16	Albion	58	2			
17	U.S. Center	30	2			
18	Fremont	78	3			
19	Ravenna	22	1			
20	Pawnee	185	5			
21	Pan Handle	121	3			
22	Dakota County	50	2			
24	Cedar County	28	2			
26	Beatrice Homestead (R)	89	3			
27	Fairbury	35	2			
28	Wayne County	52	2			
33	Bayard	65	2			
34	Keith County	89	3	10.00		
35	Otoe Chapter	81	3			
36	Chadron Chapter	70	2			
37	York	47	2			
38	Kinball	22	1			
39	Valentine	86	3			
40	Sidney	49	2			
41	Custer (R)	49	2			

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NEBRASKA—Continued					
42	Crete (R)	66	2			
43	Falls City	61	2			
44	Trail Chapter	33	2			
45	Missing Comrades	31	2			
	Department (R)		2			
	Total	4,734	131			
	NEVADA					
1	Reno (R)	470	10			
2	Sage Brush State	30	1			
3	Winnemucca Chapter	23	1			
4	Mineral County	42	2			
6	Lahonton Valley (R)	89	3			
7	Carson City	99	3			
8	Elko Chapter	17	1			
10	Ely Chapter	16	1			
11	Las Vegas (R)	683	15			
34	Thunderbird	76	3			
	Department		1			
	Total	1,545	41			
	NEW HAMPSHIRE					
1	Manchester (R)	722	15			
2	Granite State	94	2			
4	Piscataqua	193	5	$35.50		
5	Bellamy (R)	210	5			
7	Gate City (R)	328	8			
8	Mount Washington	146	4			
9	Derry (R)	23	1			
11	Lake Region	180	5			
13	Squamscott	135	4			
15	Somersworth	76	3			
16	Lebanon	26	2			
18	Queen City	168	4			
19	Capital City	178	5			
20	Claremont	69	2			
21	Keene Chapter	99	3			
23	Farmington	218	5			
24	Littleton	53	2			
25	W. T. Barron	80	3			
26	James Theos Regional	201	5			
	Department (R)		1			
	Total	3,199	84			
	NEW JERSEY					
1	Passaic (R)	427	10			
2	Clifton City	421	9			
3	Carnevale-Spitz (R)	581	13			
4	A. F. Walters	836	18			
5	Capt. P. J. E. Hogan	365	8			
6	Jersey City, Inc.	182	5			
7	Plainfield	317	7			
8	Goldberg O'Hara Davis	114	3			
9	North Hudson (R)	272	6			
10	Atlantic City	189	5			
11	East Morris	41	2			
12	Mercer County (R)	264	6			
13	Jersey Shore	42	2			
14	Cpl. George H. Keller	165	4			
15	Bergen County	229	6			
16	Somerville	204	5			
17	Charles Henry	112	3			
18	Argonne (R)	872	18			
19	T. A. Edison (R)	84	3			
20	Carl Lamberson	121	3			
21	West Essex (R)	113	3			
22	Belleville Nutley	180	5			
23	Downtown	99	3			
24	Ocean County Memorial	203	5			
25	W. Hudson-S. Bergen	57	2			
26	Sgt. W. F. Connoly	378	9			
27	Burlington County (R)	259	6			
28	New Jersey State	241	5			
29	Fort Monmouth Memorial (R)	483	11			
30	Ironbound	39	2			
31	Montclair	73	2			
32	Northern Valley	385	9			
33	DAV Military Ocean Terminal	109	3			
34	Foreign Service	88	3			
35	Franklin C. Snider	123	3			
36	H. Martineau	85	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NEW JERSEY—Continued					
37	G. M. Sullivan (R)	294	7			
38	Bloomfield	176	5			
39	Bordentown	79	3			
40	Irwin D. Harris	235	6			
41	Jos A. McNerney (R)	745	16			
42	Willingboro	383	9			
43	Gallion-Gentle-Kahn	118	3			
44	Cape May County	169	4			
45	Jacques R. Eisner	71	2			
46	Richard Skoluda (R)	181	5			
47	Mickey Grossman	85	3			
48	Warren County	184	5			
49	Metropolitan	140	4			
50	Lakewood	97	3			
51	Paraplegic	74	2			
52	Edison Chapter	46	2			
53	N. J. Amputation (R)	153	4			
54	North Bergen Secaucus	45	2			
55	Charles Wernicke, Jr. (R)	110	3			
56	Woodbridge Memorial (R)	130	4			
57	H. Gugliciello	75	2			
58	Vineland Memorial	238	6			
59	Ventnor City	359	8			
60	Perth Amboy	136	4			
61	Cpl. S. C. Townsend	76	3			
62	Michael Walsh (R)	179	5			
63	Dover	160	4			
64	Gloucester County	119	3			
65	Sussex County	105	3			
66	Hammonton	81	3			
67	Benyei-Connors	257	6			
68	Lt. Owen Teevan	82	3			
69	Colonial	124	3			
70	Steven Villo Memorial	34	2			
73	Adm. William F. Halsey	405	9			
74	Freehold	114	3			
75	Ruffner Lee	54	2			
76	Bayshore	237	6			
77	Marvin Wachsman	167	4			
78	Emile Bendist	58	2			
79	M. J. Bosko	109	3			
	Department (R)		1			
	Total	15, 447	387			
	NEW MEXICO					
1	Grant Fort Bayard	133	4			
2	T. Viramontes Deming	126	4			
3	Albuquerque-Cutting-Garcia (R)	2, 045	42			
4	Sunshine State	305	7			
5	West Mesa	44	2			
6	Curry County	87	3			
7	Cactus State	148	3			
8	Raton	53	2			
9	San Juan	144	4			
10	Mesilla Valley	296	7			
11	Hot Springs	196	5			
12	Taos	107	3			
13	Cavern City	106	3			
14	Alamogordo	183	5			
15	Ancient City	236	6			
16	Roosevelt County	93	3			
17	C. Arthur Armijo	168	4			
18	Union County	17	1			
19	Donald S. Simons	80	3			
20	S. G. Rodriguez	63	2			
21	Bataan	69	2			
22	Espanola Valley	72	2			
23	Coe Curry	36	2			
24	Socorro	113	3			
26	Eastern Valencia	25	1			
27	Alonzo Dotson	123	3			
30	Eddy County	109	3			
31	Pecos	27	2			
32	Albuquerque Life Member (R)	299	6			
33	Bernalillo (R)	301	7			
34	Enola Gay	31	2			
35	Cuba (R)	17	1			
	Department (R)		1			
	Total	5, 782	148			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NEW YORK					
1	Greater Buffalo	1,109	23			
2	Empire State	1,657	33			
3	Dorie Miller	36	2			
4	Canandiagua (R)	213	5			
5	D. S. Burrows	132	4			
7	Kimble Kowalski	155	4			
8	Syracuse	370	8			
9	Seneca	68	2			
10	Albany (R)	510	11			
11	Oneida County	70	2			
12	Niagara Falls (R)	214	5			
13	S. S. Jack Swan	614	13			
15	Monroe Powers (R)	1,157	24			
16	Yonkers	426	10			
18	Jefferson County (R)	248	6			
19	Lt. J. M. Cumming (R)	546	12			
20	Fort Stanwix	532	12			
22	Mount Vernon	200	5			
23	Bronx County (R)	1,507	31			
24	Pfc. W. Ackerknecht	115	3			
25	Austin H. Evans	145	4			
27	Chateau Thierry	345	8			
28	Brooklyn Chapter (R)	2,407	49			
29	Astoria (R)	1,412	29			
30	Coonley-Nojaim Memorial (R)	1,373	28			
32	Washington Heights (R)	106	3			
34	Halloran Memorial (R)	570	12			
35	Jamaica (R)	535	12			
36	Lt. A. A. Amron	126	4			
38	Rev. F. A. Kelley (R)	650	14			
39	Mount Pleasant Greenberg (R)	137	4			
47	Robert P. Illig	264	6			
49	Emil A. Fasolino	91	3			
50	Dr. M. F. Nolan	271	6			
55	Tyson Fitzgerald (R)	177	5			
59	Chenanco	43	2			
60	Memorial (R)	832	18			
69	Grant C. Madill	119	3			
76	National Amputee (R)	1,269	26			
78	C. Kelley-M. Levin (R)	848	18			
79	Alfred E. Smith	132	4			
81	General Roosevelt (R)	104	3			
82	Stars Et Stripes (R)	1,672	34			
84	Tupper Lake	31	2			
87	Lt. Peter Lehman (R)	542	12			
88	Lt. V. O. Fryer	443	10			
91	Queens City (R)	255	6			
92	Queens Memorial (R)	983	21			
95	Don Sullivan, Jr	533	12			
97	L. M. Phillips Memorial	404	9			
98	Pat Mete	105	3	$4.00		
100	Amsterdam	106	3			
103	Owasco Memorial	166	4			
105	Manhattan Beach	54	2			
106	Oswego Valley	119	3			
107	Bertram Baum (R)	411	9			
108	4 Chaplins Memorial (R)	239	6			
109	Elmont (R)	353	8			
110	Eldora Sanzone (R)	294	7			
113	South Buffalo (R)	390	9			
117	Nassau (R)	749	16			
118	Lt. Alfred Lucia (R)	257	6			
119	Olean	128	4			
120	Roll of Honor	383	9			
121	Oneida Madison	103	3			
122	Fulton County	215	5			
123	Western New York Amputee	57	2			
125	Lt. J. J. French	276	7			
126	Herald Square (R)	2,682	55			
130	Col. D. A. Marcus	168	4			
132	Forget-Me-Not	22	1			
133	Hamburg	194	5			
135	Lackawanna (R)	124	3			
137	Peekskill	290	7			
139	Sgt. A. A. Vacca	464	10			
142	Chas. Tinley Memorial	99	3			
143	Massapequas (R)	623	13			
144	Beacon Chapter (R)	925	19			
145	Cpl. R. M. Wainz (R)	262	6			
146	Montauk	52	2			
147	Ithaca Memorial	207	5			
148	Endicott Vestal End	68	2			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NEW YORK—Continued					
150	P. J. Schifferli (R)	452	10			
151	William J. Barry (R)	463	10			
152	T. D. Peterkin (R)	200	5			
153	Cortland	74	2			
154	Cohen and Canciglia (R)	2,571	52			
155	Mel Rosenberg PO	177	5			
156	Ulster County Memorial	162	4			
157	Lockport (R)	73	2			
158	Marcelle and Nolan	203	5			
159	Ransom-Otsego County Memorial	167	4			
160	Gannon and Parisi	151	4			
161	Henry Curtis	102	3			
162	General Herkimer	39	2			
163	Gen. Wm. J. Donovan	82	3			
164	Elmer J. Murphy	65	2			
165	Cypress Hills Memorial	23	1			
166	Batavia (R)	42	2			
167	Maj. J. Karins, Jr. (R)	266	6			
168	Grand Isle (R)	127	4			
169	Carthage	50	2			
170	Livingston County (R)	68	2			
171	Thomas Bushnell	51	2			
172	New Rochelle	108	3			
173	Lt. Thomas Burke	324	7			
174	Don George Memorial	65	2			
175	J. O. Graziano Memorial	50	2			
176	Greater Colonie (R)	37	2			
177	Hanover Township	28	2			
178	Canada Valley	56	2			
179	Pfc. R. Lafountain	221	5			
180	Star Lake	28	2			
181	1,000 Islands	17	1			
182	S/Sgt. E. Robinson	50	2			
183	Pfc. G. M. Langhorn	34	2			
184	Niagara Frontier	13	1			
185	Thomas Poldino	71	2			
	Department (R)		1			
	Total	43,993	991			
	NORTH CAROLINA					
1	Woodrow Wilson	217	5			
2	James Raj Jones	370	8			
3	Tar Heel State	466	9			
4	Burlington	280	7			
5	Michael J. Thomas	90	3			
6	Tri-County	62	2			
7	Franklin	29	2			
8	Wilson County	85	3			
9	Robert G. Tate (R)	590	13			
10	Queen City	546	12			
11	Wilmington	254	6			
12	Stanley County	500	11			
13	Madison	47	2			
14	Beddingfield-Shytle	111	3			
15	Roanoke Valley	99	3			
16	Onslow County	265	6			
17	Hoke County	60	2			
18	Byers Moorhead Glover	543	12			
19	Gaston Spindle	212	5			
20	Guy and Joseph Thomas (R)	359	8			
21	Schackner Whitly	233	6	$1.75		
22	Asheboro	205	5			
23	James A Moore	106	3	2.00		
24	Otis Crawford	65	2			
25	Rutherfordton County	63	2			
26	Havelock Chapter	80	3			
27	Concord Chapter	577	13			
28	Reidsville	45	2			
31	George F. Knight	109	3			
32	Lenoir County	101	3			
33	Maj. E. P. Robinson	218	5			
34	Hickory	175	4			
35	Whiteville	222	5			
36	John Guy Mabe	87	3			
37	Pitt County	241	6			
38	Ernest McAlister	26	2			
39	Yancyville	34	2			
40	Craven County	96	3			
41	Carteret County	90	3			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NORTH CAROLINA—Continued					
43	Morganton	376	9			
44	Johnston County	85	3			
45	Wayne County	209	5			
46	Cumberland County (R)	1, 320	27			
47	Robeson County	86	3			
48	Beaufort County	257	6			
49	Duplin County	36	2			
50	Columbus County	139	4			
51	Anson County	36	2			
53	Clinton Deyton	101	3			
54	Kannapolis	142	4			
55	Beaufort-Hyde	49	2			
56	Brunswick County	100	3			
58	Bakersville	41	2			
59	Wm. F. Ingram (R)	298	7			
61	Mount Airy	34	2			
62	Otis L. Savage	25	1			
63	Eden	77	3			
64	K. J. Eyer, Jr.	117	3			
65	Lake Gaston	71	2			
66	Davidson County	70	2			
67	Vance County	346	8			
68	H. Littlefield	162	4			
69	Green County	17	1			
70	Swain County	27	2			
72	Person County	52	2			
73	Murphy Chapter	64	2			
74	William M. Stone	112	3			
75	Frankie D. Howard	71	2			
76	Scotland County	28	2			
77	Mooresville	66	2			
78	Cape Fear	40	2			
80	Ashe County	50	2			
82	Red Springs	34	2			
83	Moore County	62	2			
84	Alexander County	31	2			
	Department (R)		1			
	Total	12, 789	331			
	NORTH DAKOTA					
1	Francis J. Beaton (R)	590	13			
2	Grand Forks (R)	1, 304	27			
3	Bismarck-Mandan	219	5			
4	Minot (R)	427	10			
5	Regan McLean	113	3			
6	Sioux State	0	0			
8	Dickinson	112	3			
9	Williston	69	2			
15	Nelson County	14	1			
24	Valley City (R)	131	4			
31	Jamestown	152	4			
	Department (R)		1			
	Total	3, 130	73			
	OHIO					
1	Cincinnati (R)	1, 881	39			
2	Youngstown (R)	788	17			
3	Capitol City (R)	2, 090	43			
4	Verdun	188	5			
5	Gallipolis	103	3			
6	St. Mihiel	728	16			
7	Cuyahoga (R)	1, 220	25			
8	Buckeye State	3, 694	74			
9	Dayton (R)	2, 115	43			
10	Peerless	434	10			
11	Trumbull County	484	11			
12	Clint Kramer	535	12			
13	Clark County	449	10			
14	R. O. Nichols	51	2			
15	Hamilton-Fairfield	481	11			
16	Sandusky	139	4			
17	Mahoning County	153	4			
18	Chillicothe	296	7			
19	Lima	210	5			
20	Louis Paul Proy (R)	774	16			
21	Mansfield	166	4			
22	Robert Ray Berry	179	5			
23	Newark	435	10			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	OHIO—Continued					
24	Morgan	106	3			
25	A. L. Daniels	95	3			
26	Portage (R)	161	4			
27	Montfaucon (R)	1, 342	28			
28	Guernsey	485	11			
29	Perry Wargo	84	3			
30	Henry County	192	5			
31	Champaign County	199	5			
32	Wood County	55	2			
33	Fremont	146	4			
34	W. Ayers	219	5			
35	Stadelman (R)	1, 308	27			
36	Defiance	295	7			
37	Conrath Bean	319	7			
38	Massillon	384	9			
39	Ashtabula	241	6			
40	Lancaster	329	8			
41	Negley Fry	104	3			
42	Western Reserve (R)	281	7			
43	The Buddy	322	7			
44	Wayne County	108	3			
45	Jackson County	170	4			
46	Hardin County	174	4			
47	John W. Covert	272	6			
48	Sidney	158	4			
49	Walter J. Klekota (R)	220	5			
50	Alliance (R)	602	13			
51	H. B. Doc Riley	173	4			
52	Pioneer City	251	6			
53	Meigs	200	5			
54	Van Wert	86	3			
55	Union County	71	2			
56	Knox County	113	3			
57	Darke County	176	5			
58	Clinton County	89	3			
59	Warren County	161	4			
61	Crispus Attucks (R)	161	4			
52	Huron County	107	3			
63	Clermont County	291	7			
64	Paulding County	25	1			
65	D. A. Nocera (R)	420	9			
66	Logan County	151	4			
67	Tuscarawas County	248	6			
68	Sam C. Buchanan	211	5			
69	Belmont County	39	2			
70	Pickaway	70	2			
71	Adams County	198	5			
72	Medina County (R)	122	3			
73	Auglaize County	91	3			
74	Coshocton	97	3			
75	Wyandot	28	2			
75	Merger County	90	3			
77	Putnam County	113	3			
78	Fulton County	67	2			
79	Delaware	95	3			
80	Monroe County	42	2			
81	Ashland	81	3			
83	Williams County	119	3			
84	Morrow	22	1			
85	Carroll County	62	2			
86	Perry County	54	2			
87	Noble County	56	2			
88	Pike County	75	2			
89	Fayette County	87	3			
90	Brown County (R)	176	5			
91	Camden	37	2			
92	H. R. Cartwright	205	5			
93	Madison County	90	3			
94	Harrison County	43	2			
95	Vinton County	43	2			
96	Geauga County	85	3			
97	Twin City	52	2			
98	Troy	127	4			
99	Roy Payne	61	2			
100	Bucyrus	100	3			
102	Chic Young	208	5			
103	H. F. Grote, Jr., (R)	643	14			
104	Lewisburg	61	2			
105	Donald E. Dixon (R)	536	12			
108	J. N. Nemeth Memorial (R)	597	13			
109	Valley (R)	384	9			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	OHIO—Continued					
110	Eastern Hills	222	5			
111	Poland	27	2			
114	Cheviot	292	7			
115	Northern Hills (R)	369	8			
116	Brooklyn Parma (R)	916	19			
117	Bellaire (R)	812	17			
118	Mount Orab	31	2			
119	Fort Barbee	64	2			
121	W. F. Burt	109	3			
121	Barnesville	92	3			
122	Salem	89	3			
123	Hillsboro	91	3			
125	Maple Heights (R)	289	7			
126	Waynesfield	234	6			
127	Western Reserve (R)	830	18			
128	St. Clairsville	12	1			
129	Newcomerstown	33	2			
131	Harold J. Hursh (R)	397	9			
132	R. E. Wagner	25	1			
133	Mount Washington	68	2			
134	Victory	238	6			
135	Wright Memorial	16	1			
136	Sunbury	22	1			
	Department (R)		1			
	Total	39,242	911			
	OKLAHOMA					
1	Sooner State	1,040	21			
2	Nichols Cutter	51	2			
3	McIntosh County (R)	114	3			
4	Canadian County	36	2			
7	Louis L. Anthis (R)	495	11			
9	Creek County	99	3			
10	Okmulgee	85	3			
12	Davis Maloney	67	2			
16	Kay County	69	2			
17	Grady County	226	6			
18	Garvin County	33	2			
20	Pittsburg County	362	8			
21	Beckham County	51	2			
24	James Simmons, Jr	55	2			
26	Jones Hughes	398	9			
29	Will Rogers (R)	828	18			
30	Tommy Hattensty	432	10			
31	Cherokee	161	4			
32	Tulsa (R)	860	18			
39	Mid Del (R)	861	18			
40	Ada Chapter	185	4			
41	McCurtain County	233	6			
43	Mayes County	84	3			
44	Rogers County	193	5			
47	Pioneer Oklahoma	158	4			
48	Shea Nelson Chapter	117	3			
49	Stephens County	152	4			
50	Ottawa County	162	4			
51	Jackson County	121	3			
52	Pushmataha	66	2			
53	Little Dixie	203	5			
54	Shawnee	190	5			
55	Tri-County	42	2			
56	Joe McCain	389	9			
57	Elk City	72	2			
58	Clinton	130	4			
59	Copan	19	1			
60	Moran S. Morris	147	4			
61	Cleveland County	60	2			
62	Harmon County	13	1			
63	Leflore County	145	4			
64	Latimer County	64	2			
65	Wash County	27	2			
66	Enid Chapter	49	2			
67	Bryan County	281	7			
68	Broken Arrow	104	3			
69	Hughes County	23	1			
70	Stillwater	25	1			
71	Rush Springs	57	2			
72	A.B. Hicks	80	3			
73	Anadarko	44	2			
74	Bthny-Warr Acres (R)	173	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	OKLAHOMA—Continued					
76	Nowata County	30	2			
77	Colcord Chapter	37	2			
78	Burns Flat	19	1			
79	Cordell	12	1			
80	Henryetta	39	2			
81	Tuskahoma	36	2			
82	Roger Mills County	25	1			
83	Sequeyah County	23	1			
	Department (R)		1			
	Total	10, 352	266			
	OREGON					
1	Portland (R)	854	18			
3	Eugene	199	5			
4	Oregon City (R)	162	4			
5	Yamhill County	49	2			
6	Salem (R)	278	7			
7	Washington County (R)	50	2			
8	Jackson County	229	6			
9	Dean Perrine	215	5			
10	Webb Foot State	66	1			
11	Grants Pass	112	3			
12	Dewey Powel (R)	327	8			
14	Central Oregon	189	5			
16	Lincoln County	65	2			
17	Willamette	113	3			
18	D. Day	65	2			
19	Baker	33	2			
20	S. R. Pyne (R)	56	2			
21	Blue Mountain	40	2			
22	Cottage Grove	89	3			
23	Florence	55	2			
24	Fern Ridge	78	3			
25	Dow V. Walker	239	6			
27	Hermiston	80	3			
28	Gresham-Cascade	51	2			
32	Camp White	181	5			
36	Round Up	22	1			
38	Coquille	137	4			
40	Maximo Yabes	28	2			
41	Clatsop County	71	2			
42	Springfield (R)	122	3			
43	Albert Olson	54	2			
	Department (R)		1			
	Total	4, 309	118			
	PENNSYLVANIA					
1	William C. Malia	515	11	$1. 50		
2	Johnstown	315	7			
3	Mountain City	272	6			
4	Harrisburg	399	9			
5	Anthracite	66	2			
6	Rudderw Mammucari (R)	587	13			
7	Lehigh Valley (R)	743	16			
8	Greater Pittsburgh	1, 015	21			
9	Wyoming Valley (R)	1, 377	29			
10	Reading (R)	305	7			
11	Mid Valley (R)	884	19			
12	S. Sgt. R. G. Holler	49	2			
13	Juniata Valley	141	4			
14	Philadelphia (R)	2, 048	42			
15	Naomi (R)	589	13			
16	Keystone State (R)	546	11			
17	Doylestown (R)	151	4			
18	Bethlehem	143	4			
19	Col. A. J. Campbell	226	6			
20	Indiana Chapter	186	5			
21	Marne	317	7			
22	Liberty	308	7			
23	Forget-Me-Not Memorial	94	3			
24	William F. Kerstetter	157	4			
25	Norristown (R)	635	14			
26	Jeannette	77	3			
27	Steel Valley (R)	219	5			
28	York	175	4			
29	Mosso-Watkins	63	2			
30	Armstrong County	39	2			
31	A. Oshinski	547	12			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	PENNSYLVANIA—Continued					
32	Shawnee (R)	382	9			
33	Chartiers Valley (R)	143	4			
34	Altoona	416	9			
35	Westmoreland County, Inc	221	5			
36	Sgt. Glenn Hall	446	10			
37	Crash Memorial	97	3			
38	Little Deer Creek	84	3	$1.00		
39	Charleroi-Monessen	35	2			
40	A. B. Caracciolo	36	2			
41	Pocono Mountain	70	2			
42	Latrobe Chapter	60	2			
43	Cherokee	63	2			
44	Delaware Valley	29	2			
47	Susquehanna Valley	127	4			
49	Dr. F. H. Finley	49	2			
50	West Shore	440	10			
52	McKeesport (R)	370	8			
53	Allegheny-Kiski	235	6			
54	Le Boeuf	21	1			
55	Sharon	22	1			
56	Port Allegany	16	1			
57	Sto-Ken-Rox	26	2			
58	Fayette	255	6			
61	Turtle Creek	97	3			
64	General Butler (R)	387	9			
65	Unknown Soldiers	182	5			
67	Tri-County	77	3			
68	Punxsutawney	157	4			
69	Col. C. Young	48	2			
70	DAV Amputee	82	3			
71	Ligonier Bi-Centennial	39	2			
72	McKean County	75	2			
73	Erie County (R)	388	9			
74	South Pittsburgh	102	3			
75	Warren County (R)	174	4			
76	Col. S. D. Foster (R)	1, 250	26			
77	South Schuylkill	368	8			
78	C. W. McCleary	233	6			
79	Meadville	117	3			
80	Red Rose Chapter	165	4			
81	Hershey Chapter (R)	148	4			
82	Harry H. Moyer (R)	597	13			
83	Pennsylvania Paraplegic	12	1			
84	Chester County	59	2			
87	Beaver Falls	177	5			
90	South Hills	66	2			
92	Col. J. T. Thompson	162	4			
96	Philadelphia (R)	653	14			
98	Cerra Leo Memorial	152	4			
100	O'Brien Chapter	52	2			
101	Philadelphia	194	5			
102	Greater West Side Memorial (R)	582	13			
105	Gettsburg	144	4			
107	Aliquippa	150	4			
110	Chambersburg	148	4			
111	Hanover	19	1			
112	Lawrence County	336	8			
113	Delaware County	639	14			
114	Wayne County Memorial	105	3			
115	East Montgomery (R)	208	5			
116	West Branch	198	5			
117	Lower Bucks County (R)	379	9			
118	State Center	169	4			
119	Broad Mountain	231	6			
120	South Philadelphia	251	6			
123	Greene County (R)	151	4			
124	West Hazleton	35	2			
125	Washington Chapter	211	5			
126	Sgt. J. Basilone	242	6			
127	Meyersdale	71	2			
128	Harford	24	1			
	Department (R)					
	Total	27, 337	649			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	RHODE ISLAND					
		459	10	$2.00		
1	Providence	111	2			
2	Little Rhody	220	5			
3	Redmond	470	10			
4	Carpentier (R)	118	3			
6	Josiah Broadfoot	280	7			
7	Kerins Hogan	234	6			
9	Emily E. Baker (R)	285	7			
10	Cranston	192	5			
12	Poissn Cournoyer	186	5			
13	Correia Wojtyto	155	4	1.50		
14	North Kingstown	102	3			
15	Lawson Raiola	503	11			
17	Maurice H. Pion (R)	437	10			
21	Mt. Pleasant	90	3			
22	Almeida-Hines	63	2			
23	Howarth-Lopes		1			
	Department (R)					
	Total	3,905	94			
	SOUTH CAROLINA					
		333	8			
1	Alvin L. Wilson (R)	178	5			
3	Frank Montgomery	178	7			
4	Woodrow Wilson (R)	163	4			
5	Game Cock	23	0			
7	Palmetto State	172	4			
11	F. D. Roosevelt	88	3			
12	Beaufort	500	11			
13	John W. Crews, Jr. (R)	86	3			
14	Truman Et Hazel	547	12			
17	David E. McWhorter	113	3			
19	James D. Wessinger	67	2			
20	92d Buffalo	94	3			
21	Lt. James Miller	41	2			
25	Union County Memorial	84	3			
28	Clayton Durham	104	3			
30	Grandstrand	109	3	2.00		
33	J. A. Cecchini	177	5			
37	Saluda (R)	304	7			
39	Greer (R)	171	4			
40	Anderson Chapter	34	2			
41	Lewis G. Watkins	258	6			
42	Greenwood	142	4			
43	Aiken	43	2			
44	L. Mendel Rivers	7	1			
45	Midlands Technical Education	48	2			
46	Rock Hill	36	2			
47	Hartsville	14	1			
48	Barnwell	45	2			
49	Liberty Chapter	39	2			
50	Cheraw Chapter	74	2			
51	Batesburg	58	2			
52	Clinton Chapter	25	1			
53	Allendale	55	2			
54	Jack E. Daniel	76	3			
55	Strickland	33	2			
56	Kingstree	77	3			
57	Conway Chapter	114	3			
58	Sgt. B. Bagwell, Jr.	25	1			
59	Westminster	47	2			
60	Newberry		1			
	Department (R)					
	Total	4,882	138			
	SOUTH DAKOTA					
		749	16			
1	Sioux Falls (R)	231	6			
2	Battle Mountain	310	7			
3	A. E. Stanton (R)	35	1			
4	Coyote State	305	7			
6	Watertown	126	4			
7	Mitchell (R)	224	5			
11	Sturgis	140	4			
13	Swanson O'Connor	80	3			
14	Great Plains	191	5			
17	Hevle-Heimes	113	3			
18	Oahe Chapter	27	2			
19	Milbank		1			
	Department					
	Total	2,531	64			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	TENNESSEE					
2	Lt. R. T. McCollum	131	4			
3	Nashville (R)	724	15			
4	Knoxville	123	3			
6	Chattanooga	205	5			
7	Jackson	203	5			
8	Rutherford County	177	5			
9	Washington County	375	8			
10	Volunteer	40	2			
11	Silver Star	46	2			
13	Volunteer State	280	6			
16	Andrew Jackson	134	4			
17	Elizabethton	237	6			
19	White County	44	2			
20	Lawrenceburg	45	2			
21	Springfield	66	2			
22	Columbia (R)	121	3			
24	Knoxville (R)	427	10			
25	Paul Jones Memorial (R)	320	7			
26	Oak Ridge	79	3			
28	Harry Murrell	99	3			
30	Bell Marshbanks	55	2			
31	Waverly	63	2			
32	Crossville	68	2			
34	Nashville	38	2			
35	Claiborne County Memorial	41	2	$1.00		
38	Kingsport (R)	542	12			
39	Bristol Tennessee	121	3			
42	Greene County	89	3			
43	Shelbyville (R)	242	6			
44	Flowers Toler	31	2			
45	Hardy Shelby	111	3			
46	Dyersburg (R)	218	5			
47	Union City	84	3			
50	Lexington	28	2			
54	Savannah	73	2			
56	Perry County	32	2			
58	Parsons	63	2			
59	Morristown	149	4			
60	Chester County	22	1			
64	Centerville	21	1			
65	Williamson County (R)	79	3			
70	Shelby County (R)	1,043	22			
71	Winchester	104	3			
76	Blount County	125	3			
83	Clarkrange	143	4			
85	Mountain Home	187	5			
86	Kingston	66	2			
88	Red Boiling Springs	31	2			
89	Clarksville	16	1			
90	Coffee County	35	2			
91	Huntsville	26	2			
93	Sweetwater	31	2			
94	Smoky Mountain (R)	117	3			
95	Gallatin Chapter	50	2			
96	Jonesboro	31	2			
97	Sam Davis	54	2			
98	Weakley County	94	3			
99	Lincoln County	22	1			
100	Gibson County	14	1			
101	Covington	16	1			
	Department (R)		1			
	Total	8,242	225			
	TEXAS					
1	San Jacinto (R)	1,036	22			
2	Texas State	1,785	36			
3	Waco (R)	1,092	23			
4	Lone Star	209	5			
5	Joseph E. Sarrazin (R)	1,616	33			
6	Woodrow Wilson	293	7			
7	Jesse D. Booth	278	7			
8	Kerrville	199	5			
9	Houston (R)	764	16			
10	Borderland (R)	769	16			
11	Buddies (R)	448	10			
12	Edward B. Harney	344	8			
13	Weatherford (R)	86	3			
14	San Antonio (R)	1,113	23			
15	Sutton County	27	2			
16	Bun Lilly	228	6			
18	Sam Tyson	59	2			

AS OF JUNE 30, 1978—Continued

TEXAS—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
20	Blue Bonnet	1,763	36			
21	William G. Whatley (R)	1,216	25			
22	Heart-O Chapter	43	2			
23	Devine Chapter	58	2			
24	Valley Mills	41	2			
25	Henry M. Hein (R)	513	11			
26	J. E. Pietzsch (R)	607	13			
27	Beaumont	268	6			
29	Pearsall Chapter	23	1			
30	Borger	91	3			
31	Dallas (R)	724	15			
32	Oak Cliff (R)	878	19			
33	Ellis County (R)	155	4			
34	Creel Shropshire (R)	103	3			
35	Pampa Chapter	69	2			
36	Taylor County	379	9			
37	Bell County	272	6	$3.75		
38	McKinney	101	3			
40	Limestone	332	8			
41	Galvaston County	154	4			
42	Grand Prairie	282	7			
44	R. L. Ferguson	465	10			
45	Central	190	5			
47	Big Spring	191	5			
49	Mainland	66	2			
50	Sweetwater	50	2			
52	Falls County	207	5			
53	Del Rio Chapter	61	2			
54	Texoma (R)	425	9			
55	Orange County	121	3			
56	Port Arthur	198	5			
57	Big D Chapter	424	9			
61	Guad-lupe County (R)	161	4			
63	J. W. Cantrell	203	5			
64	Atascosa County	32	2			
65	San Patricio	23	1			
68	Hallettsville	28	2			
69	Bandera	26	2			
70	Wharton County	160	4			
73	East Texas and Kilgore	233	6	2.00		
75	Brewster County	30	2			
76	Webb County	110	3	4.50		
79	Cass County	89	3			
80	Federal (R)	593	13			
81	Hunt County	280	7			
83	Nacogooches	128	4			
84	Lufkin	157	4			
85	Mineral Wells	116	3			
86	Burleson Couhty	37	2			
88	Stephenville	185	5			
89	Paris	173	4			
94	Pearl Harbor	86	3			
95	Hidalgo County	146	4			
98	Cherokee County	80	3			
100	Bowie County	122	3			
101	Athens	148	4			
102	Marshall	216	5			
104	Liles Spraggins	156	4			
106	Denton Memorial (R)	170	4			
111	De Witt County	32	2			
113	Bridgeport	106	3			
115	San Marcos	34	2			
121	William Bill Johnson	105	3			
122	Gipson Block (R)	132	4			
126	Baytown (R)	136	4			
128	San Antonio (R)	310	7			
129	Bonham	172	4			
137	Garland (R)	216	5			
139	Brenham	77	3			
141	Roy J. Lippert	140	4			
147	W. R. Hold	326	8			
150	Ernest Peralez	305	7			
153	J. Satterwhite	25	1			
157	Arlington (R)	202	5			
158	Wood County	186	5			
159	Fort Inge	88	3			
160	Sulphur Springs	102	3			
161	Eagle Pass	120	3			
163	Comal County	99	3			
164	T. Et R. Puckett	25	1			
165	Sunshine	426	10			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	TEXAS—Continued					
166	M. W. Delong	86	3			
167	Gillespie County	112	3			
168	George S. Thurlie	80	3			
169	Victoria County	127	4			
170	Flack Garcia	17	1			
171	Burton	67	2			
172	Hebbronville	38	2			
173	Auston (R)	462	11			
174	Star Chapter	32	2			
175	Chapter (R)	406	9			
176	Alfonso Ibanez	79	3			
177	Atlanta	29	2			
179	William F. O. Farrell (R)	132	4			
180	Calhoun County	43	2			
181	Karnes County	34	2			
182	Longhorn Chapter	46	2			
183	Space City	232	6	$2.00		
186	Carrollton	120	3			
187	Northeast (R)	396	9			
188	Lake Region	77	3			
190	Tri-County	44	2			
191	Free State	152	4			
193	H. E. Sheppard	32	2			
194	Pasadena Memorial	245	6			
195	Pearland Gold Star (R)	92	3			
196	Corsicana	130	4			
197	Odessa Chapter	256	6			
198	Highland Lakes	122	3			
200	Bryan-College Station	237	6			
201	Anna B. Moore	45	2			
202	Gonzales Chapter	98	3			
203	Kingsville	46	2			
204	Upshur County	84	3			
205	Center Chapter	52	2			
206	Snyder Chapter	35	2			
207	Smithville	83	3			
208	Brazosport	40	2			
209	Zapata Chapter	65	2			
210	Rockport	31	2			
211	Gen. George S. Patton	152	4			
212	Robstown Chapter	24	1			
214	Comanche Peak	85	3			
215	Lake Whitney	114	3			
216	Stephens County	47	2			
217	Taylor Chapter	51	2			
219	Sgt. James Allen	235	6			
220	Porter Chapter	60	2			
221	Vidor Chapter	35	2			
222	Wayne L. Harland	181	5			
223	Seven Points	86	3			
224	West Tawakoni	53	2			
225	John C. Wobus	26	2			
226	Clint	15	1			
227	Huntsville	32	2			
228	Trinity County	21	1			
229	Fayette County	13	1			
230	Bay City	11	1			
	Department (R)		1			
	Total	33,813	837			
	UTAH					
1	Wasatch (R)	148	4			
2	Argonne (R)	351	8			
3	Pioneer	115	3			
4	Weber (R)	442	10			
5	Bee Hive State	35	1			
6	James R. Thomas, Jr. (R)	2,526	52			
7	Dixie	97	3			
8	John W. Holden (R)	109	3			
9	Central	124	3			
11	Copper	36	2			
12	Tooele County	95	3			
14	Davis County	459	10			
15	Mirror Lake	17	1			
16	Carbor Chapter	105	3			
18	Borgstrom	104	3			
19	Vernal Chapter	16	1			
	Department (R)		1			
	Total	4,779	111			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	VERMONT					
2	Green Mountain State	91	2			
3	Byron Morris (R)	142	4			
4	Bennington	103	3			
5	Burlington	348	8			
6	Lt. William Fitzgerald	116	3			
7	Rutland (R)	215	5			
8	St. Albans	113	3			
9	St. Johnsbury	85	3			
14	Wyman Baker	77	3			
15	John Blake	113	3			
16	Jay Peak	29	2			
17	South Burlington	78	3			
18	Grand Isle	33	2			
	Department		1			
	Total	1, 543	45			
	VIRGINIA					
1	Old Dominion State	412	8			
2	Lester S. Gordon (R)	126	4			
3	H.H. MacKenzie (R)	775	16			
4	Norfolk (R)	286	7			
5	Suffolk	41	2			
6	Murray Rhea Peninsula (R)	505	11			
7	General Washington	175	4			
8	Campbell-Lynchburg	282	7			
9	Stonewall Jackson	116	3	$2.00		
10	Arlington Fairfax (R)	1, 303	27			
11	Mount Vernon	244	6			
12	St. Paul Chapter	22	1			
13	York County Victory (R)	47	2			
14	Page Valley	51	2			
15	Prince William County	156	4			
16	Staunton Augusta	213	5			
17	Kenneth Cox Chapter (R)	492	11			
18	Alleghany County	81	3			
19	A. T. Gammon	422	9			
20	Virginia Beach	412	9			
21	Bernard L. Hines	193	5			
22	Portsmouth Federal	55	2			
23	Carroll County (R)	137	4			
24	Harrisonburgh	55	2			
25	Hopewell Chapter	99	3			
26	J. R. Graham	265	6			
27	Portsmouth	89	3			
28	Prince Edward County	46	2			
29	J. M. Wainwright	348	8			
30	Skyline	32	2			
33	Charlottesville	152	4			
35	Clintwood	230	6			
37	Galax	126	4			
39	Marion	148	4			
40	Bristol Chapter	81	3			
41	Cradock Chapter (R)	148	6			
44	Paul Long	485	11			
45	Col. C. H. Hagy	502	11			
46	Russel Morris	115	3			
50	Al Bartraw, Jr	300	7			
51	Eastern Shore	165	4			
52	Paul R. Shorter	131	4			
53	South Boston	39	2			
54	Rose Hill	39	2	5.00		
	Department (R)		1			
	Total	10, 241	250			
	WASHINGTON					
1	Tacoma (R)	562	12			
2	Seattle	762	16			
3	Schumann Heink	69	2			
4	Vancouver	276	7			
5	Bremerton (R)	328	8			
6	Altman-Ruoff-Osier	1, 036	22			
7	Lee Kressler	130	4			
8	Yakima Valley (R)	848	18			
9	Port Angeles	108	3			
10	Everett (R)	394	9			
11	Evergreen State	127	3			
12	Valley (R)	233	6			
13	Sunshine (R)	437	10			
17	Wenatchee	163	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	WASHINGTON—Continued					
18	Harmony (R)	804	17			
19	Bellingham	284	7			
21	Aberdeen (R)	133	4			
22	D. J. Kerstetter (R)	101	3			
23	West Seattle (R)	2,564	52			
29	Lewis County	82	3			
32	Herman Rogers	153	4			
33	A One Chapter	178	5			
35	Paul H. Applegate (R)	126	4			
36	Orting Soldiers Home	61	2			
38	Grand Coulee Dam	40	2			
41	Tumwater	356	8			
42	S. Anderson, Jr	89	3			
43	East Lake	116	3			
44	Comrade	71	2			
45	Spokane (R)	324	7			
46	Tri-Cities	222	5	$477.50		
47	Widbey Island	100	3			
48	Moses Lake	39	2			
49	Hugh L. McDaniel	36	2			
	Department (R)		1			
	Total	11,316	263			
	WEST VIRGINIA					
1	Randolph County	60	2			
2	Huntington (R)	1,647	34			
3	Logan	145	4			
5	Pringle Tree	49	2	10.00		
6	Parkersburg (R)	619	13			
7	Weirton	76	3			
8	Eastern Panhandle	192	5			
9	Keyser Chapter (R)	187	5			
10	Paden City	49	2			
11	Webster County	25	1			
12	McDowell County	38	2			
13	Clarksburg (R)	307	7			
14	Snake State	117	2			
15	McMechen	79	3			
16	Gassaway	63	2			
17	Williamson Chapter	104	3			
18	Beckley (R)	564	12			
19	Fairmont	229	6			
20	Lawrence Howell	27	2			
21	Shinnston	28	2			
23	Shinnston	21	1			
24	Grafton Chapter	48	2			
25	Wood County	146	4			
28	Kanawha Chapter	366	8			
29	Petersburg	33	2			
30	Summers County	31	2			
31	Princeton	210	5			
33	Mercer County	86	3			
34	Morgan County	11	1			
35	Pocahontas County	21	1			
36	French Creek	230	6			
38	Greenbrier	73	2			
40	Corricks Ford	38	2			
41	Braxton County	114	3			
45	Morgantown	90	3			
46	Summersville	52	2			
51	Weston Chapter	90	3			
	Department (R)		1			
	Total	6.265	163			
	WISCONSIN					
1	Milwaukee (R)	972	20			
2	Togstad Glenn	353	8			
3	Russell Leicht	380	9			
4	Edward B. Froelich	111	3			
5	Waukesha	142	4			
6	Stephen W. Bolles	70	2			
8	Baraboo	84	3			
9	Belle City (R)	231	6			
10	Eau Claire	254	6			
11	Welling Washbush	207	5			
12	La Crosse	229	6			
13	Badger State	224	4			
14	Dickop Hornke	171	4			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	WISCONSIN—Continued					
15	J. Vanthruler (R)	249	6			
16	Pardeeville	25	1			
17	Oshkosh (R)	211	5			
18	William F. Speel	83	3			
19	West Allis (R)	665	14			
20	Kenosha	242	6			
21	Chippewa County (R)	104	3			
23	Paul Marmes	151	4			
24	Manitowoc Chapter	108	3			
26	Tri-County	180	5			
27	Monroe County	201	4	$2.00		
28	Washburn-Ashland	72	2			
29	Merrill	58	2			
30	Shumann Heink	263	6			
31	Rib River	27	2			
32	Richland Center	48	2			
33	Ladysmith	22	1			
34	Twin County	172	4			
35	Calder-Dorstad	82	3			
36	Sgt. Truman Olson	12	1			
37	Vernon County	17	1			
38	Harry Manske	44	2			
39	Sun Prairie	11	1			
40	Grant County Chapter	38	2			
41	Marinette County	38	2			
42	Marinette	58	2			
43	Laona Chapter	22	1			
44	Milwaukee (R)	369	8			
45	Oconto County	28	2			
46	Bergstrom	117	2			
47	St. Croix County	14	1			
48	Sawyer County	17	1			
49	Lynxville-Prairie du Chien	30	2			
50	R. Seippel (R)	103	3			
52	Barron County	55	2			
53	Manawa	143	4			
54	Henry Hartsworn	123	3			
55	Wisconsin Rapids	97	3			
56	Hortonville	38	2			
57	Marshfield	58	2			
58	Lt. A. W. Frankow	65	2			
60	Columbia County	37	2			
61	Blackriver Falls	39	2			
62	Rhinelander	149	4			
63	Watertown Chapter	53	2			
64	G. C. Graveen (R)	316	7			
66	Webster	80	3			
67	Mineral Point	104	3			
68	Keshena and Neopit	18	1			
	Department (R)		1			
	Total	8, 694	232			
	WYOMING					
1	H. J. Leik	159	4			
2	Guthrie Beck (R)	402	9			
4	C. Mullock, Jr	64	2			
5	Bataan	65	2			
7	Squaw Mountain	27	2			
8	Weldon D. Moss	122	3			
9	Sheridan Chapter	124	3			
10	Pioneer State	124	2			
11	Powell	67	2			
	Department (R)		1			
	Total	1, 154	30			
	FOREIGN (NO DEPARTMENT)					
1	Jose Jimmenez	83	3			
2	McKinley (R)	73	2			
3	Canadian	26	2			
4	Melbourne	36	2			
5	General J. Pershing	72	2	47.90		
6	Metro Manila (R)	38	2	3.00		
7	Quiapo District	53	2			
8	Germany	10	1			
11	Dumaguete City (R)	80	3			
12	F. G. Arradaza (R)	26	2			
50	Foreign	124	2			
	Department		0			
	Total	621	23			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NATIONAL BLIND (NO DEPARTMENT)					
1	National Blind 51 (R)	152	4			
	Department		0			
	Total	152	4			
	NOMAD (NO DEPARTMENT)					
52	Nomad	2,856	57			
	Department		0			
	Total	2,856	57			
	PUERTO RICO					
1	San Juan (R)	1,880	39			
2	Yabucoa	149	4			
3	Sfc. Luis Morales	209	5			
4	Ponce Chapter (R)	304	7			
5	Caguas Chapter (R)	529	12			
6	Mayaguez	214	5			
7	Fajardo (R)	169	4			
8	Arroyo	54	2			
9	Guayama	94	3			
10	Quebradillas	76	3			
11	Arecibo	201	5			
12	Utuado	53	2			
13	Patillas Chapter	40	2			
14	Aguadilla	178	5			
15	St. Thomas-St. John	33	2			
16	Bayamon Chapter	288	7			
17	Juana Diaz	91	3			
18	Salinas Chapter	22	1			
19	Humacao Chapter	27	2			
20	Vega Baja	74	2			
21	Isabela	117	3			
55	Puerto Rico-At-Large	116	2			
	Department (R)		1			
	Total	4,918	121			
	HAWAII					
1	Oahu (R)	884	19			
2	Maui	139	4			
3	Honolulu	303	7			
4	Wahiawa	107	3			
5	Kauai	92	3			
6	Hilo (R)	168	4			
7	Kona (R)	52	2			
8	Leeward Oahu (R)	302	7			
10	Hanele	14	1			
11	LIKM Chapter	42	2			
12	Aloha	23	1			
56	Hawaii-At-Large	57	1			
	Department (R)		1			
	Total	2,183	55			
	ALASKA (NO DEPARTMENT)					
1	Anchorage	144	4			
59	Alaska-At-Large	90	2			
	Department		0			
	Total	234	6			
	NATIONAL OFFICERS 1977–78					
	Oliver E. Meadows, National Commander, (R)		1			
	Billy O. Hightower, Sr. Vice Commander (R)		1			
	Thomas L. Tomlinson, 1st Junior Vice Commander		1			
	Paul L. Thompson, 2d Junior Vice Commander (R)		1			
	Stan Pealer, 3d Junior Vice Commander (R)		1			
	Sherman E. Roodzant, 4th Junior Vice Commander (R)		1			
	Boniface R. Maile, National Judge Advocate		1			
	Rev. Carl Bergstrom, National Chaplin (R)		1			
	Frank J. Randazzo, Past National Commander (R)		1			
	NEC 1st District, Walter F. Morgan; Alternate, Domenick J. Romeo		1			
	NEC 2d District, J. Vincent Moynihan (R); Alternate, Rosario J. Aloisio		1			

AS OF JUNE 30, 1978—Continued

No.	Chapters	Members	Votes	Debt	Roodzant	Murphy
	NATIONAL OFFICERS 1977–78—Continued					
	NEC 3d District, Metro Ostash (R); Alternate, William A. Joyce		1			
	NEC 4th District, Julio Gonzalez-Monclova (R); Alternate, C. W. Schamp		1			
	NEC 5th District, Jimmy D. Patrick; Alternate, Robert E. Miller		1			
	NEC 6th District, James E. Collins (R); Alternate, Alfred D. Melton		1			
	NEC 7th District, Joseph V. Racco; Alternate, James R. Priest (R)		1			
	NEC 8th District, Albert J. Hanna (R). Alternate, Rupert G Wimmer		1			
	NEC 9th District, Benny Daniels (R); Alternate, Henry W. Prokop		1			
	NEC 10th District, Lew Snowbeck (R); Alternate, John Russo		1			
	NEC 11th District, Samuel M. Vigil, Jr., Alternate, Rudolph R. Vargas		1			
	NEC 12th District, George E. Egel (R); Alternate, Herman T. Harrison		1			
	NEC 13th District, Doris (Marty) Marx (R); Alternate, John Palmiter		1			
	NEC 14th District, Paul G. Freeman (R); Alternate, Jimmie S. Foster		1			
	PAST NATIONAL COMMANDERS					
	Millard W. Rice		1			
	M. Froome Barbour		1			
	Lloyd F. Oleson (R)		1			
	David M. Brown		1			
	Boniface R. Maile		1			
	Ewing W. Mays		1			
	Alfred L. English (R)		1			
	Paul E. Fredericks		1			
	David B. Williams (R)		1			
	Bill H. Fribley		1			
	William O. Cooper (R)		1			
	Francis R. Buono		1			
	Peter L. Dye		1			
	Douglas H. McGarrity (R)		1			
	William G. Dwyer (R)		1			
	Claude L. Callegary		1			
	Wayne L. Sheibon		1			
	Raymond P. Neal (R)		1			
	Cecil W. Stevenson		1			
	Edward T. Conroy		1			
	Jack O. Hicks (R)		1			
	John T. Soave (R)		1			
	Walter T. Greaney (R)		1			
	Lyle C. Pearson (R)		1			

National Commander MEADOWS. The adjutant will suspend the rollcall, and I will recognize Jim Murphy of Arizona.

Mr. JAMES J. MURPHY, Jr. Mr. Commander, fellow delegates to the national DAV convention, as I said last night, and I will say it again this morning, this has been a great experience. I made a lot of great friends in this convention, and I want to thank you for the support which you have given, but, at this time it is quite obvious, and I would like to congratulate your new second junior vice-commander, Sherman Roodzant. [Applause.]

National Commander MEADOWS. I will recognize the national adjutant.

National Adjutant ADAMS. I, Denvel Adams, national adjutant of the Disabled American Veterans, hereby cast one unanimous white ballot for Sherman Roodzant for the office of second junior vice-commander of the Disabled American Veterans. [Applause.]

National Commander MEADOWS. I present to you our new second junior vice-commander, Sherman Roodzant. [Applause.]

Fourth Junior Vice-Commander **Roodzant**. Thank you. Commander Meadows, Commander-Elect Hightower, national officers, distinguished guests, my comrades, ladies and gentlemen: I am proud and deeply moved for the great confidence you have placed in me again this year in electing me as a national officer.

Allow me to reiterate my profound appreciation to you and to this organization, its leaders, and most of all, the membership, the majority of the membership who have fought so long and hard for the benefits that I now enjoy today. I was able to come home from a terrible war, our nation's latest, broken in body but very strong in spirit.

I was strong in spirit because of folks like you, folks who cared. I hope and pray that I can share this torch that you have carried for so long and express some of that compassion that you have had over these years and carry this great organization forward in the years to come.

I pledge my support to Commander Hightower, our national officers, our national staff, and most of all to you to do the best that I can. Thank you. [Applause.]

National Commander **Meadows**. Mike 1.

Mr. **Harold**. Harold, Boston 10.

National Commander **Meadows**. You are recognized.

Mr. **Harold**. At this time I move that we suspend the rules of the convention so we can elect by acclamation the remaining members of the slate that was submitted by the Committee on Nominations. [Applause.]

NEC Ninth District **Benny Daniels**. Comrade Commander, Benny Daniels, ninth District, would like to second that motion.

National Commander **Meadows**. Mike 2.

Member. Comrade Commander, Mike 2, Chapter 80, Texas. Unless you call from the floor for all the other nominations prior to this, I believe it is out of order.

National Commander **Meadows**. I am going to, before taking the vote, I am going to ask are there further nominations in addition to those recommended by the Nominating Committee, Ed Galian, third junior vice-commander; Odell Vaughn, fourth junior vice-commander; Boniface Maile, national judge advocate; Reverend Thomas Meersman, chaplain—are there further nominations from the floor for any of these offices?

This is for the second call. Are there further nominations? For the third call. Are there further nominations for the office of third junior vice-commander, fourth junior vice-commander, national judge advocate, and national chaplain? Hearing none, I will entertain a motion. [Applause.]

Those in favor of the motion to suspend the rules, please signify by saying Aye; those opposed. The motion is carried. I will recognize the national adjutant.

National Adjutant **Adams**. I, Denvel Adams, national adjutant of the Disabled American Veterans, hereby cast one unanimous white ballot for Edward Galian, third junior vice-commander; Odell Vaughn, fourth junior vice-commander; Boniface Maile, national judge advocate; and Thomas Meerman, national chaplain. [Applause.]

National Commander **Meadows**. With the casting of the white ballot for these four offices, the election has concluded for third junior vice-commander, Ed Galian—I wish he would come forward—Odell

Vaughn; Boniface Maile, national judge advocate; and national chaplain, Reverend Thomas Meersman.

I would like to see all of the candidates together with the ones previously elected assembled here, and if there are members of the families of these candidates, of these newly elected officers, will you please come forward also. Comrades, I present to you your new national slate of officers for the coming year. [Applause.]

The newly elected national commander has had the opportunity to speak to you and to present his family. I will offer that same opportunity now to the senior vice-commander, Paul Thompson, for the presentation of his wife. Paul.

Second Junior Vice-Commander **Thompson**. Thank you, Commander Meadows. Once again I have the opportunity to present to you my firmest and staunchest supporter. She is the one that keeps me under control. She makes sure that I am ready at all times to perform the duties that I am asked to perform for the Disabled American Veterans.

She is my nurse, doctor, and anything else you want to call her. She has put up with me through 26 years of military life and now the next 26 years of DAV life. So I would like to introduce at this time my wife, Margaret. [Applause.]

Mrs. **Paul Thompson**. Once again I would like to say thank you to each and every one of you. I am very proud of my husband. I try and help him in every way possible, but I cannot keep him on his diet. [Laughter and applause.]

National Commander **Meadows**. You have had an opportunity to hear from Stan Pealer, our newly elected first junior vice-commander, but I would like to have you meet Mrs. Pealer. Stan.

Third junior Vice-Commander **Pealer**. Thank you, Commander. Comrades, let me introduce my wife, Ann. [Applause.]

Mrs. **Stan Pealer**. I would like to add my thanks to Stan's comments, and it is a sincere honor, and thank you for your support and confidence in him. [Applause.]

National Commander **Meadows**. You have heard from Sherman Roodzant, but we have his lovely wife here. Sherman, would you like to introduce your wife.

Fourth Junior Vice-Commander **Roodzant**. Thank you, Commander Meadows. My wife has been to most all national conventions with me, but unfortunately she didn't make it last year, which was one of the most important years of my life. But I want you to know this young lady has put up with a heck of a lot with my activities in the DAV and working in Congress, and for all practical purposes has given me away. She deserves the credit. [Applause.]

Mrs. **Sherman Roodzant**. Thank you all very much for your support.

National Commander **Meadows**. We elected by acclamation our third junior vice-commander. This is your first opportunity to see him in this new capacity. Our third junior vice-commander, Ed Galian. [Applause.]

Incoming Third Junior Vice-Commander **Edward Galian**. Commander Meadows, Commander-Elect and all the other newly elected officers, members and delegates: I thank you all. I subscribe to all of the preliminary statements you heard from all of the other candidates and elected officers of this organization.

I particularly would like to thank the members of my National Amputation Chapter Number 76 from New York State. I thank the Department of New York State and the Second District for having supported me and allowed me to participate in all of the activities of our great organization in their areas and giving me this support and this opportunity on the national level to further do what I can to support this great organization on the national level. Thank you very much. [Applause.]

National Commander **Meadows**. Our newly elected fourth junior vice-commander, who is here with his wife, Odell Vaughn. [Applause.]

Incoming Fourth Junior Vice-Commander **Odell Vaughn**. Commander Meadows of the DAV, comrades and ladies. I would like to say that for over 30 years my wife has told me year after year that maybe some day she would come first and the disabled veterans second. And then when I regretted to retire, she thought that time had come, and now she insists that she has got only four more years.

I want to thank all of those people who worked so hard to assist me, and I will promise all of you here that I will do everything in my power to see that you will know that you have not made a mistake. My wife, Virginia. [Applause.]

Mrs. **Odell Vaughn**. I want to say thank you for all of your support.

National Commander **Meadows**. And for about the 15th time, without opposition, and I say to Commander Hightower you might wish to adopt my slogan, don't go anywhere without your lawyer, Boniface Maile. [Applause.]

National Judge Advocate **Boniface R. Maile**. Comrade Commander and comrades: Thank you for allowing me to serve you again this coming year and this great, the greatest veterans organization in the world, the DAV. [Applause.]

National Commander **Meadows**. I present to you your newly elected national chaplain, Reverend Thomas Meersman. [Applause.]

Incoming National Chaplain **Thomas Meersman**. Commander Meadows and all the other newly elected officers: This is the day for white hope and white smoke, I guess. That is the way I got in and that is the way the new Pope will get in a few weeks. [Laughter.] But anyway, I am glad I am here.

I thank George Carey and Rodney Anderson and Neil Littlefield. He said he was going to get me elected Pope, but I doubt that. But anyway, it is good to be here. I am anxious to serve. God bless. [Applause.]

National Commander **Meadows**. We have one or two other matters to attend to. If the newly elected candidates will find a seat, we will take care of these promptly. I will recognize for a presentation Ray Bailey of the 11th District. Ray.

Mr. **Ray Bailey**. Commander-Elect Hightower, it is only fitting and proper that this presentation be made to you here today. The DAV has done it again. For the first time in the history of the State of Colorado, a commander of a veterans organization has been recognized with his own automobile license. I am proud to present you the National Commander's License Plate DAV Number 1, for your year in office.

This was accomplished with the able assistance of Senator Tillman Bishop of our state. [Applause.]

Senior Vice-Commander HIGHTOWER. Thank you, Ray. I hope this is tax-exempt. [Laughter.]

National Commander MEADOWS. And I will recognize Ernie Brock, the department commander from the Department of Texas. Ernie.

Mr. ERNIE BROCK. I would like to take this serious moment in representing the Department of Texas and the great State of Texas because without our now former, I expect, national commander in this past year, the State of Texas would not have come to its membership.

I don't know if Oliver realizes that or not. But as of the 31st of December last year, we had our quota. We had to figure something out where we could move along faster, so here we helped put Commander Oliver Meadows in office last year, and some of our more brilliant people on our Executive Committee said, "Well, look, let's get a deal going here and every new member since the 1st of January, we will call him a Meadows man, and we will designate him as such."

And that is what happened and that is why it went over. Now, here is a man that has everything. Here is a man that we just didn't know what to do to have him be remembered in our great State of Texas. Several of us, including our transferee from New York, has looked at this thing and discussed it with our fine governor.

In talking with Mr. Dolph Brisco, he said, "I would certainly love to honor Mr. Oliver Meadows." But he says, "You know, the thing is wrong." He says, "I should have asked Commander Oliver Meadows to be my political counsel before the primaries. I have made that mistake and I am not going to make another mistake . Ernie, would you please give this presentation as a five-star deal." And Texas always goes for five-star, and may I read it: "In the name and by the authority of the State of Texas, to all whom these presents shall come, greetings: Know ye that Oliver E. Meadows is hereby commissioned admiral in the Texas Navy with all rights and privileges pertaining thereto and shall have the duty of assisting in the preservation of the history, boundaries, water resources, and civil defense of the state. In testimony whereof I hereunto sign my name and put on the seal of the State of Texas to be affixed in the City of Austin on this day, 1978." Signed Dolph Brisco, Governor. [Applause.]

National Commander MEADOWS. I think it would be more appropriate if you would address me as admiral rather than Oliver. [Laughter.]

Will the adjutant read the list of the newly elected members of the National Executive Committee.

National Adjutant ADAMS. Commander, I will do better than that; I will read them all. National commander, Billy Hightower; senior vice-commander, Paul Thompson; first junior vice-commander, Stan Pealer; second junior vice-commander, Sherman Roodzant; third junior vice-commander, Edward Galian; fourth junior vice-commander, Odell Vaughn; past national commander, Oliver E. Meadows; 1st District, Walter Morgan; 2nd District, Roy Aloisio; 3rd District, Metro Ostash; 4th District, Ralph Hartman; 5th District Jimmy Patrick; 6th District, Wesley Reeves; 7th District, Joe Racco; 8th District, James Friesema; 9th District, Benny Daniels; 10th District, Bernard Wagner; 11th District, Sam Vigil; 12th District, Fred A. Metz; 13th District, Doris "Marty" Marx; 14th District, Albert E. King.

[Miscellaneous announcements.]

NEC Seventh District **JOSEPH V. RACCO**. National Commander Oliver Meadows, Joe Racco from Ohio 35. Comrade National Commander, I believe this concludes the order of business. At this time I so make a motion that the 57th Annual National Convention of the Disabled American Veterans be adjourned.

National Commander **MEADOWS**. Withhold the second to the motion, please. We have a motion before us, but we will ask for the second in a moment. We have one more recognition here.

Mr. **A. BURTON SPICKLER**. Commander Meadows, congratulations are in order for your wonderful year that you have served the Disabled American Veterans, and by that token you have received these little awards, and I know the commander received his license plate, and all the awards that you have given all through this year, it makes us wonder exactly what are the awards for.

Exactly why are they given? It is all very well described in a little short poem by Doyle Killebrew of Jackson, Tennessee.

When I quit this martial shore and mosey 'round this earth no more,
Don't weep, don't sigh, don't grieve, don't sob.
I may have struck a better job.
Don't go and buy a large bouquet
For which you'll find it hard to pay.
Don't hang around me feeling blue;
I may be better off than you.
Don't tell folks I was a saint
Or anything you know I ain't.
If you have stuff like that to spread,
Please hand it out before I'm dead.
If you have roses, bless your soul,
Just pin one in my buttonhole.
But do it when I'm at my best
Instead of when I'm safe at rest.

Thank you. [Applause.]

National Commander **MEADOWS**. Chaplain, will you come forward for the prayer. We will proceed with the official adjournment action before the prayer. Following the prayer, we will retire the colors. I have a motion from Joe Racco to formally adjourn this convention. Do I hear a second?

[Motion seconded from the floor.]

National Commander **MEADOWS**. We have a motion and a second——

Mr. **JACKSON**. P. D. Jackson yields to his past department commander from Ohio, James Priest.

Mr. **JAMES R. PRIEST**. James R. Priest, alternate, National Executive Committee, 7th District. I second the resolution that we adjourn.

National Commander **MEADOWS**. We have a motion and a second that we formally adjourn this convention. I would take this brief moment before taking that formal action to thank you all personally for your many courtesies. I thank you personally for your courtesies to me and my family, but I also thank you and extend congratulations to you for the fine attendance at this convention, the orderly attitudes exhibited, and the very splendid way that you proceeded with the business of this convention.

I thank you very much, and I think the organization is closing its convention in good order. I look forward to a great year with our newly elected slate of officers. And with that, I will ask for the vote. Those in favor of the motion to adjourn as presented, signify by saying Aye; those opposed. The motion is carried. I will ask the chaplain for the prayer.

Incoming National Chaplain MEERSMAN. Let us pray. Lord, we have asked for Your blessings, we have asked for Your wisdom, we have asked for special knowledge. That we have received, and that we thank You for. Send us forth, Lord. We go forth with the same request to You for the same blessing, wisdom, knowledge, and that is in serving our fellowman, we might serve You well. Amen.

National Commander MEADOWS. Will you stay in place, please, while we retire the colors. Will the sergeant at arms come forward.

[Retirement of the colors.]

Mr. LEE KIRK. Comrade Commander, the colors are in position to receive the respect due them.

Senior Vice-Commander HIGHTOWER. Will you please join me in the Pledge of Allegiance.

[Pledge of Allegiance led by Senior Vice-Commander Hightower.]

National Commander MEADOWS. I now declare this convention adjourned.

[Whereupon the convention adjourned at 1:20 p.m., August 17, 1978.]

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96th Congress, 1st Session - - - - - - - - - House Document No. 96-44

STATE OF THE UNION
SUPPLEMENT

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SUPPLEMENT TO HIS STATE OF THE UNION MESSAGE

JANUARY 25, 1979.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

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To the Congress of the United States:

My State of the Union Address was devoted to what I believe are the highest priorities facing our Nation in 1979 as we seek to build a new foundation at home and abroad.

However, my Administration's time and effort this year will also be focused on a significant number of other important initiatives and goals. I am sending this State of the Union Message so that the Members of the 96th Congress are presented with a full picture of my basic legislative program in domestic and foreign affairs for the year.

Over the past two years, my Administration has developed a very cooperative relationship with the Congress. That relationship not only resulted in the extraordinarily productive record of the 95th Congress, but will provide the foundation for a renewed sense of trust and confidence by the American people in their government.

We have an enviable record to match. But with your help, the 96th Congress can meet this challenge. My Administration and I are eager to help in the effort.

Our basic goals will be to continue working with you to build solid foundations for the next century—a solid economic foundation of stable prices and continued growth—a solid foundation for a more efficient, less intrusive Federal government—a solid foundation for world peace and American security.

FOUNDATION FOR PROGRESS

When I took office two years ago, the country faced serious domestic problems:

the economy had not recovered from a recession;

unemployment was intolerably high at 7.8 percent, with 7¾ million Americans out of work;

the Nation had no sound energy policy and oil imports were rising rapidly;

the Federal government was operating inefficiently in numerous vital areas;

trust in the openness and integrity of the government was low;

major social problems were being ignored or inadequately addressed by the Federal government.

In the ensuing two years, we have tackled these problems head-on. While problems cannot be solved overnight, real progress has been made:

the economy has strengthened—real Gross National Product has increased 10 percent and real disposable personal income has increased 8.9 percent;

the unemployment rate has decreased by 25 percent since my election, from nearly 8 percent to 5.9 percent; 7.3 million new jobs have been created; total employment has reached a record of 95.9 million;

a comprehensive national energy policy has been enacted and a Department of Energy created to help implement it;

the first major reform of Civil Service System in nearly a century was enacted; 6 reorganization plans have been approved and implemented; the Federal paperwork burden has been reduced by 10 percent; inspectors general are being placed in departments and agencies to help root out fraud and abuse; zero-based budgeting practices have been instituted throughout the government; several hundred million dollars have been saved through sound cash management reforms; regulations are being written in simple English, and a Regulatory Council has been established to develop the Nation's first regulatory calendar and agenda;

a renewed sense of confidence and faith in the government is gradually being restored;

long-ignored domestic problems have been attacked aggressively: the Nation's first urban policy was developed and its implementation begun; the Social Security System was refinanced to assure its long run solvency; the Humphrey-Hawkins Full Employment Act was passed; aid to education has been expanded by 50 percent; and a welfare reform program was developed and debated in Congress and will serve as a foundation for our efforts this year to overhaul the welfare system;

cumbersome regulatory apparatus which deters competition in our economy was dismantled by the deregulation of the airline industry.

DOMESTIC POLICY PRIORITIES

Over the next year, our domestic program will concentrate on further developing a new foundation for progress in each of several areas:

restraining inflation, while continuing to pursue our employment and other economic and budgetary goals;
making government more efficient and effective;
enhancing basic human and social needs;
protecting and enhancing our rights and liberties; and
preserving and developing our natural resources.

INFLATION

My Administration's major domestic priority is to reduce the rate of inflation, while maintaining economic growth. That is clearly the major domestic concern of the American people, and it is the problem they are looking to us to help solve. Inflation places a cruel burden on the poor and on those on fixed incomes. It serves as a disincentive to investment. It threatens our continued economic growth and job creation. This is more than an economic challenge. Inflation is the persistent, historic enemy of a free society. It saps our confidence and faith in the future. It undermines our trust.

I am determined to meet the challenge now before us. Last October I announced an anti-inflation program which can aid significantly in the effort to reduce inflation. It is a tough and responsible voluntary program.

Throughout this year, we will be working to implement our anti-inflation program. Part of the program requires new legislation, and we intend to work closely with you in developing and enacting that legislation.

The effort to reduce inflation will be one of the most difficult battles our government has undertaken in many years. But it is not a battle we can afford to lose. Government cannot solve the problem of inflation alone. But we can and must lead the way. With your cooperation, we can and will win.

THE 1980 BUDGET

In announcing my anti-inflation program last year, I made a commitment to the American people to reduce the budget deficit for fiscal year 1980 to $30 billion or less. The budget I submitted to the Congress honors that committment. The FY '80 budget projects a deficit of $29 billion, which is less than half the deficit the Nation had when I ran for office and represents the smallest budget deficit in the last six fiscal years.

The fiscal year 1980 budget has $531.6 billion in projected budget outlays, which is an increase of only 7.7 percent above the previous year. That is the smallest annual increase in Federal spending in the last seven years.

The $531.6 billion spending total also means that we will be meeting my goal of reducing Federal spending to about 21 percent of Gross National Product one year ahead of schedule.

The decisions I had to make in restraining spending were difficult. But if we are to succeed in breaking the back of inflation, Federal spending must be restrained to set an example for the private sector. If there were easier solutions, they would have been taken by now.

Finally, I want to emphasize that my fiscal year 1980 budget does not neglect the basic needs of the disadvantaged, the poor, and the unemployed. For instance, the budget will provide $4.5 billion in increased assistance to the poor. It also will provide a total of $1.2 billion for adult and youth employment and training programs, which will be especially targeted to the disadvantaged and long-term unemployed. Moreover there are significant increases for education programs for the disadvantaged and a new fiscal assistance program for our Nation's cities.

In short, this budget is austere, but it also maintains our commitment to help those in our country who most need it.

HOSPITAL COST CONTAINMENT

One of my highest legislative priorities for this year is hospital cost containment. It will be one of the clearest tests of the seriousness of the Congress in dealing with the problem of inflation. Clearly the most inflationary part of health care costs in recent years has been in the hospital industry. Last year, hospital charges grew at the rate of about 13 percent. Experience in several States has shown that through programs such as the one I will propose, hospitals can save money and reduce costs through sound cost containment practices. I expect to shortly propose hospital cost containment legislation which will build on the proposal passed last year by the Senate.

REAL WAGE INSURANCE

I have proposed to the Congress a real wage insurance program to protect employee groups that comply with the 7 percent voluntary wage standard against losses in purchasing power if inflation exceeds 7 percent. If inflation exceeds 7 percent, these employees will receive a tax refund equal to their 1979 income up to $20,000 time the difference between the actual inflation rate (up to 10 percent) and 7 percent. This program will give workers a strong economic incentive to cooperate with the voluntary pay standards I have established, thereby helping to break the wage/price spiral that is at the root of the current persistent inflation.

This is a novel approach to the inflation problem. The persistence of high inflation for the past ten years makes it clear that new solutions are needed. Innovative approaches must be added to the arsenal if we are to break the back of inflation. Real wage insurance represents the type of innovative approach which is required: it will provide a significant tax benefit for those working people who participate in helping to reduce the inflationary cycle, but without raising taxes for anyone else.

My Administration intends to work very closely with Congress in developing and enacting a real wage insurance law.

VOLUNTARY PAY AND PRICE STANDARDS

It is vital that our program of voluntary pay-price standards succeed. At stake is the reduced rate of inflation that all Americans demand and deserve. The cooperation of business and labor is obviously essential, and we have already had clear evidence of their willingness to join in this effort. I have already received assurance from over 200 of the Nation's largest corporations that they will comply with the standards. And just recently the Oil, Chemical, and Atomic Workers Union reached agreement on a contract with the major refineries that met the pay standards.

Throughout this year the pay and price standards will continually be tested. Your cooperation in encouraging voluntary compliance can help ensure the standards' success. The Administration will keep the Congress fully informed and involved as we work to implement this program.

STATE AND LOCAL GOVERNMENTS

If we are to succeed in our anti-inflation efforts, the cooperation and active participation of State and local governments is essential. We will soon announce a program which actively involves the Governors, Mayors, County Executives, and other local officials in a comprehensive approach to restrain inflationary pressures within their control.

THE NECESSITIES

In recent years, the greatest inflationary burden on the working men and women has involved necessities of life—food, energy, housing, and medical care. An effective anti-inflation program must involve a series of concerted attacks on the sources of rising prices in these vital sectors.

In each of these areas, the Administration has established task forces to identify existing government policies that unreasonably inflate prices, and to suggest actions that can be taken, at both national and local levels, to combat inflation. In these efforts we will work directly with Congress, State, and local governments, and consumer groups.

MULTILATERAL TRADE NEGOTIATIONS (MTN)

I have already notified the Congress that we expect to sign and submit for Congressional approval a set of trade agreements which we will reach in the Tokyo Round of the Multilateral Trade Negotiations. With these agreements, we expect to achieve major reductions in tariff and nontariff barriers to international trade. These agreements will:

lead to increased opportunities for U.S. exports;
ensure that import competition is fair; and
result in lower prices, increased competition, and greater prosperity for the American people.

Passage of the MTN will be one of my highest legislative priorities this year. It is critical to the health of our domestic and of the world economy.

COUNTERVAILING DUTIES

I have recently sent to the Congress a message urging prompt passage of legislation permitting the waiver of the imposition of countervailing duties on certain imported products. Passage is essential to the successful completion of the Multilateral Trade Negotiations, and, therefore, should be one of Congress' highest priorities at the beginning of this session.

EXPORTS

The United States has entered a period where export growth is essential to improve our balance of payments, strengthen the dollar, and thereby help reduce inflationary pressures. To do this, both the private sector and the Federal government must place a higher priority on exports.

With the National Export Policy I announced last year, we are moving to meet this need. First, we are working to reduce domestic barriers to exports so that exporters are not stifled by excessive governmental regulation. Second, we are providing further incentives in the form of better export financing and better government export development programs. Third, we are working with our trading partners in the Multilateral Trade Negotiations to reduce foreign barriers to our exports and to secure a fairer international trading system for all exporters.

These actions should expand our exports in 1979 and help us move toward a reduced trade deficit, although they will not cure our serious balance of trade difficulties overnight. They are the first steps in an essential, long-term effort to strengthen the U.S. position in world trade, while reaffirming the Nation's commitment to maintain an open world trading system and to resist protectionism.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability is playing a vital role in our anti-inflation efforts. The Council and its staff have the lead responsibility within the Executive Branch for implementing the voluntary wage and price standards that I have announced. Without the Council's continuing role, the anti-inflation effort would have a very slim chance of succeeding.

I therefore believe it is essential that the Council, along with its staff operation, be reauthorized early this year with the additional staff I will request to handle the enormous volume of work under my anti-inflation program. The reauthorization should not contain amendments that interrupt or restrain the necessary work of the Council or its staff.

EMPLOYMENT

The Administration, working closely with Congress, has made significant progress over the last two years in reducing unemployment and creating new jobs:

The December unemployment rate of 5.9 percent represents almost a 25 percent reduction from the December, 1976 rate.

7.3 million more people have jobs than they did before the beginning of the Administration. This increase exceeds the employment growth in any other two-year period since World War II.

Total employment has reached an all-time high of 95.9 million.

Over the past two years black employment is up by 12 percent; and black teenage employment is up by 19.7 percent; adult female employment has increased by 10.5 percent; teenage employment overall has increased by 11 percent. Although progress has been made, unemployment remains unacceptably high for these groups. And in inner-city areas unemployment remains much too high for all workers.

Last year, which ended with the lowest unemployment rate in 3 years, a framework for continued progress into the next decade was established:

the Comprehensive Employment and Training Act (CETA) was reauthorized at high levels for four more years;

the Humphrey-Hawkins Full Employment Act became law after many years of effort;

the Administration's demonstration youth programs were extended for two more years;

a new partnership between the government and the private sector to assist the unemployed was approved by Congress with the passage of a new Title 7 of CETA—the Private Sector Initiatives Program; the targeted jobs tax credit, to encourage private employers to hire our poor young people and others who are hard to employ; and an expanded tax credit for mothers on welfare.

In 1979 this framework will help us continue to improve the employment prospects for America's workers. We especially want to improve the targeting of job creation programs to those who most need these opportunities and to improve the quality of the training and employment assistance for the poor, blacks, Hispanics, youth and women.

We expect to achieve these goals through a number of actions:

First, we will continue working toward achievement of the Humphrey-Hawkins Full Employment Act goals. We will provide an average of 546,000 CETA public jobs, and shift many of them to the long-term or "structurally" unemployed. We will continue to search for the most promising ways to reduce the structural unemployment that denies many the opportunity for full participation in American life.

Second, we will begin implementing the new Private Sector programs, including establishment of Private Industry Councils in communities throughout the country, to encourage business to hire the hard-core unemployed. I am proposing to Congress that this effort be supported at a level of $400 million this year.

Third, we will continue our special efforts to provide jobs and training programs for young workers in cooperation with community-based organizations and the private sector. We must meet our responsibility to provide opportunities for young Americans to learn to work.

Fourth, we will take steps to improve the management and delivery of employment and training services. I will seek a reform of the Wagner-Peyser Act, which authorizes the U.S. Employment Service, to integrate that program more effectively into our employment and training system. My Administration will also implement the CETA amendments, which establish practices and procedures to improve the quality of programs, provide better management and prevent fraud and abuse.

MAKING GOVERNMENT MORE EFFICIENT AND EFFECTIVE

The American people are demanding a Federal government which is effective and efficient. For the past two years, I have worked toward that goal by reorganizing and reforming the government's operation and by uncovering and removing fraud, waste and abuse. Real progress has been made. But the government is still not operating as competently as I want or the American people deserve. In 1979, we must build on the base of the last two years to provide our people with the type of government they deserve. Your help in this effort is essential. We have already begun to build a new foundation of government efficiency and we will do more in the year ahead.

REORGANIZATION

We have begun to reorganize the government through the creation of a Cabinet-level Department of Energy and the changes resulting from the six reorganization plans approved by Congress over the past two years. Those plans helped to reshape and improve the operation of the Executive Office of the President, the international cultural and communications agencies, emergency preparedness agencies, the equal employment opportunity enforcement agencies, the Civil Service Commission, and the administration of the Employee Retirement Income Security Act.

I will again propose to the Congress that a Cabinet-level Department of Education be created. This will be a very high priority of this Administration. Education issues deserve far more attention and more accountable management than they can receive in a department as large and complex as HEW. The department would provide a Cabinet-level official devoting full-time attention to education and reporting directly to me. It will also enable the Federal government to be a more responsive and reliable partner with States, localities, and private institutions which have primary responsibility for education.

I will also be proposing to Congress reorganization plans involving economic development and the management of our natural resources development, and will intensively study possible reorganizations in the areas of surface transportation, the Selective Service system and the Alaska natural gas pipeline. The natural resources and economic development reorganizations involve areas where overlap, duplication and unclear authority have hamstrung our efforts. Reorganization here can save money amd people. We will be consulting closely with Congress over the next several weeks before submitting these reorganization plans.

REGULATORY REFORM

Last year we took major steps toward reform of the Federal regulatory system, ranging from improved regulation writing to saving hundreds of millions of dollars through improved cash management techniques. The dramatic reductions in airline prices that occurred when Congress joined with us to lift the heavy hand of Federal regulation illustrate the advantages of letting the competitive market, rather than government, control industry performance. The public will benefit similarly through improved service, increased competition, and lower Federal expenditures, if we reform Federal regulation of surface transportation. I will send to Congress shortly a Surface Transportation Reform Message dealing with the rail, inter-city bus, and trucking industries.

In 1978 I used my authority as Chief Executive to improve the management of the Federal regulatory process. I issued Executive Order 12044, setting standards to ensure that each Executive Branch regulatory agency facilitates public participation and avoids needless costs. A regulatory analysis program was established under an interagency Regulatory Analysis Review Group to help ensure that major new regulations are as cost-effective as possible. The Executive Order also established procedures for all Executive Branch agencies to conduct sunset reviews to reevaluate outdated regulations and remove them from the books wherever warranted. Finally, I created a Regulatory Council composed of the Executive Branch regulatory agencies, with voluntary particiapation by independent agencies, to develop a calendar of all major Federal regulations to be issued or proposed in 1979. The Nation's first Regulatory Calendar will be published next month and will be used to eliminate duplication, overlap, and inconsistent practices.

This year I will propose to Congress a number of legislative actions that can be taken to improve the regulatory process. They will include improvements in specific regulatory programs, as well as a Regulatory Reform Act so that nc regulation can be issued unless it is genuinely required, and unless it gets the job done with maximum efficiency and minimum paperwork, costs, and other burdens.

The quality of regulations can also be improved by providing opportunities for all interested parties to participate in regulatory proceedings. Public involvement should be enhanced by providing financial assistance to those whose participation is limited by their economic circumstances. While many agencies have inherent authority to fund participation, we will seek legislation to specifically authorize these programs.

While I will propose a wide-ranging legislative program, I will continue to oppose the legislative veto. This approach is unconstitutional; it increases uncertainty and delay; and it deflects attention from the real solutions.

None of our actions in this area will be taken at the expense of my deep personal commitment to protect health and safety in the environment, the workplace, the highway, and consumer products; and to prevent deception and unfairness to consumers. My regulatory reform program will help make needed programs work better, cost less, and gain support among all sectors of our society.

CIVIL SERVICE AND PAY REFORM

Enactment of the Civil Service Reform Act of 1978 by the 95th Congress represented one of the finest examples of cooperation between the Legislative and Executive Branches in recent times. That effort showed a determination to respond to the clear public desire to improve the management of the Federal bureaucracy. Implementation of the Reform Act is well under way. The Office of Personnel Management, the Merit System Protection Board, and the Federal Labor Relations Authority authorized by the Act have been established. In addition, the heads of the Federal departments and agencies have moved promptly to implement the new personnel procedures that will permit a better motivated and more effective civil service.

However, other improvements in management of the government's work force are needed. Our white collar, blue collar, and military systems must be reformed in order to make certain that we neither overpay nor underpay Federal employees. Therefore, I will propose Federal pay reform legislation covering each of these systems to the Congress that is equitable to Federal employees and the public. These pay reforms are an important follow-on to our civil service reform.

PUBLIC FINANCING

The time is long overdue for reforming the way Congressional elections are financed. The current flood of money threatens to pervert our electoral process. We can no longer permit our elections to be open to the highest bidder. The recent elections have clearly demonstrated the kinds of problems caused by uncontrolled campaign spending. It is time to adopt public financing for Congressional elections—before it is too late. Public financing operated successfully in the last Presidential election, and it can do the same in Congressional races. My Administration will work with Congress for passage of a sound Congressional public financing law.

SUNSET

My Administration will again work with the Congress to enact a sound sunset bill. Under such a bill, each Federal program would have to be carefully re-examined on a periodic basis to determine whether its continued existence is justified. Through such a procedure, the American people can be assured that unnecessary government programs and agencies will be ended, rather than continued through the force of inertia; and other programs and agencies will be improved.

There are few more important building-stones to the new foundation of government efficiency we seek than passage of sunset legislation. It goes to the heart of making government work.

LOBBY REFORM

The American people have a right to know what significant influences affect their national legislature. The proliferation of well financed, organizational lobbying activities during recent years has demonstrated the clear need for reform of the outdated and ineffective lobby disclosure law now in effect. This year my Administration will continue to work with Congress to pass a sound lobby law reform bill—one that respects the First Amendment right of all Americans and minimizes paperwork burdens, yet allows meaningful disclosures.

WASTE, FRAUD, AND INEFFICIENCY

Although the vast majority of Federal employees are able, honest and hardworking, we need to continue to be vigilant to ensure that the taxpayers' dollars are not wasted through fraud or abuse. The implementation of civil service reform will lead to improvements in agency management practices and program efficiency. In addition, I am committed to continuing to cut excess paperwork, simplify grants requirements, and evaluate our programs better and more frequently. We have already significantly reduced the paperwork burden and implemented many of the recommendations of the Federal Paperwork Commission. We will continue to do more in 1979.

Early this year I will nominate highly qualified Inspectors General armed with tough new powers to prevent waste and corruption. The Justice Department will increase its already intensive effort to prosecute those few employees and contractors who abuse the public trust. In addition, a new Office of Ethics in the Office of Personnel Management and a Special Counsel in the Merit System Protection Board will help ensure the integrity of the Federal work force and protect its members from political abuse.

STATE AND LOCAL GOVERNMENT RELATIONS

As the first President in more than thirty years to be elected immediately after service as a Governor, I have made relations with State and local government a high priority of my Administration. During my first two years in office, we have strengthened the Federal system significantly. We have involved the Federal Regional Directors in the management of the government and have reinvigorated the Federal Regional Councils. As a result, the Federal government is now able to respond better and more quickly to State and local needs. In addition, we have involved State and local officials in the development of our policies to a greater degree than any previous Administration.

Since 1977, Federal grants-in-aid to State and local governments have increased to more than $80 billion per year, 25 percent above the level of aid when I first took office. Progress has also been made towards my goal of giving Governors, Mayors, and county officials more flexibility in managing Federal programs. The Federal government is now taking seriously, for the first time, the burdens and costs we impose on State and local governments and all taxpayers when we legislate and regulate from the Federal level.

In this time of limited budget resources we must achieve more cost-effective management of Federal resources and place greater reliance on the experience, knowledge, and ability of State and local governments.

In the future, we must attempt to limit the imposition of new costs on State and local governments, and to avoid where possible prescribing every detail of how they administer Federal programs. We must work together to identify specific ways in which more flexibility can be given to State, city, and county officials in the administration of Federal programs without compromising the national purposes that each program is designed to serve.

TRANSPORTATION

In 1979 we shall continue the effort begun in the 95th Congress to reduce the regulatory burden on the Nation's transportation industry. Our proposals for surface transportation deregulation will build upon the principles of increased competition that have proven successful for the airline industry.

Shortly, I will propose broad legislation which begins to deregulate the railroad industry. Regulatory reform is a crucial first step toward revitalizing this important transportation mode.

In addition, I will also be proposing significant reductions in the regulation of inter-city bus transportation and certain regulatory changes in the trucking area.

We are also committed to improving the level of safety for our transportation industry. As part of this effort, we intend vigorously to pursue legislation improving equipment and conditions affecting truck drivers, and giving stronger enforcement authority to Federal agencies.

My forthcoming Surface Transportation Regulatory Reform Message will provide the details of these proposals.

Finally, I will propose overdue changes in the Nation's maritime policies. We must improve the ability of our Merchant Marine to win a fair share of our cargo.

NO-FAULT

The Administration will continue to support legislation to establish Federal minimum standards for state no-fault automobile compensation systems. No-fault systems have proven to be far more efficient in delivering benefits to the victims of automobile accidents than the current tort system, and they also provide greater opportunities to coordinate and reduce overall insurance costs. Too great a percentage of the premiums paid by policy-holders goes for the administration of the current wasteful tort liability system. No-fault would save money and court-time. It deserves Congressional support.

CONSUMER REPRESENTATION

My Administration has developed new procedures that will set standards and assess performance for effective public representation within government agencies. These procedures are designed not only to improve the delivery of government services to our citizens, but also to enhance the awareness of government to the health, safety, and economic concerns of all consumers. In 1979, we will direct adequate resources to these procedures, which include complaint handling, training and technical assistance for consumer organizations, advocacy, consumer education and information, and citizen participation.

LEAA

Last year I proposed legislation which would institute significant and long-overdue changes in the structure and programs of the Law Enforcement Assistance Administration. The LEAA has the potential to improve and strengthen State and local law criminal justice programs, but in its present form it has fallen far short of its potential. My Administration will work with the Congress again this year to reform this framework, which includes a National Institute of Justice to enable us to obtain better information and research about crime problems. Once the legislation is enacted, we will make certain that the new agency is efficiently carrying out its mission of providing meaningful Federal law enforcement assistance.

JUDGESHIPS

Last year my Administration worked closely with the Congress to enact legislation creating the additional Federal judgeships need to reduce our court's backlogs and delays. As a result, I will soon be nominating 152 new Federal judges—the largest addition to the Federal judiciary in our history. Some of these judges will still be serving in the next century.

I am determined to nominate judges of the highest quality; our Federal judiciary must be selected on the basis of merit. I am also determined to increase the low representation on the Federal bench of women, blacks, Hispanics, and other minorities. These goals are within our reach, if we work together cooperatively and recognize the importance our country places in the selection of these new judges.

JUDICIAL REFORM

Because our Federal courts do not function as well as we have the right to expect, my Administration has made judicial reform one of its goals. During 1978, Congress took major steps toward alleviating the problem by increasing substantially the number of Federal judges and by adopting numerous substantive and procedural reforms in the handling of bankruptcy matters.

Other judicial reforms remain to be made. Some, such as expanding the authority of magistrates and curtailing diversity jurisdiction, were proposed to the last Congress. I will shortly send a message to the Congress urging prompt action on these and several additional proposals designed to improve the responsiveness and efficiency of our system of justice. They merit the attention and approval of the Congress.

In addition, as was indicated in my Consumer Message to Congress, the Administration will continue to support reform of class action procedures. Reform legislation should seek to ease unnecessary burdens and costs of class actions, while at the same time preventing them from being used in a harassing manner.

ANTITRUST ENFORCEMENT AND COMPETITION

Free enterprise and competition, protected by the antitrust laws, are the central organizing principles of our economic system. Competition produces powerful incentives for innovation and efficiency, fights inflation, and enhances consumer welfare. Strict enforcement of our antitrust laws are critical to the health of competition and the Nation's economy.

Several important strides were made last year in improving antitrust enforcement. In 1978, the courts imposed over $11 million in corporate fines for antitrust violations and imprisoned 29 individuals for antitrust violations. These fines and sentences are significantly larger then in past years, and are consistent with my strong commitment to vigorous antitrust enforcement.

Last year I appointed the National Commission for the Review of Antitrust Laws and Procedures to suggest ways of expediting antitrust cases and making relief more effective. Its members have recently reported to me, and we will work closely with the Congress and the Judicial Conference to implement many of its recommendations. Similar progress in improving the effectiveness of antitrust enforcement can be made in the 96th Congress.

I continue to support legislation to allow those who are injured by antitrust violations to recover damages from the antitrust violator, whether the injured person is a direct or indirect purchaser. Under the Supreme Court's decision in the *Illinois Brick Case* only direct purchasers may recover, even though they may have passed on the injury to consumers, who are prevented from suing. This decision undercuts state and private enforcement of the antitrust laws, reduces their deterrent effect, may contribute to higher prices, and often allows the violator to keep his gain at the expense of the injured consumer. This needed legislation would overturn that decision.

BANKING

I anticipate receiving shortly the recommendations of the Administration's Task Force studying Regulation Q and the system of deposit interest rate controls, and I expect to make recommendations based upon the Task Force's findings.

My Administration remains supportive of Congressional action to deal with the need to halt the continuing attrition in the percentage of bank deposits subject to the reserve requirements of the Federal Reserve System.

CARRYOVER BASIS

Carryover basis was one of the most important reforms passed by Congress in the Tax Reform Act of 1976. This reform would add substantial equity to our tax laws and greater efficiency to our capital markets.

The carryover basis reform has the effect of ending a situation in which many of our wealthiest taxpayers could permanently escape paying income tax on their gains from inherited property. Unfortunately, the effective date has been delayed until the end of 1979.

My Administration will strongly oppose any efforts to repeal this reform or further delay its implementation.

ENHANCING BASIC HUMAN AND SOCIAL NEEDS

In the years immediately preceding my Administration, too many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the past two years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

The progress over the past two years has noticeably moved us forward toward building a new foundation to solve some of the country's fundamental human and social problems. My Administration has vastly expanded assistance in the last twenty-four months in areas of employment, education, housing, community and economic development and health care, which represent an improvement for the American people.

The record of the past two years demonstrates that government can meet our citizens' basic human and social needs in a compassionate way. No longer can there be any doubt that the government is able to treat Americans' problems with sensitivity.

In the coming fiscal year, budget restraints make it more difficult to expand funding significantly for many major domestic programs, though some programs will be increased. We will continue to make existing social programs work more effectively; to reduce the waste and fraud and excess bureaucracy which drain tax dollars intended to meet basic human needs. In a period of austerity, efficiency is itself an act of compassion because it unlocks resources needed for health care, education, housing, economic development and other urgent social priorities.

HEALTH PROGRAM

One of the highest goals of the 96th Congress should be taking action to provide all Americans with the opportunity to lead a more healthy life. This opportunity has been denied to many in our country because of health care services which are unaffordable, inaccessible, and inefficient. In addition, our current system of health care is focused on the treatment of disease, with too little attention being directed toward its prevention. We need a national health strategy which corrects these inadequacies in the existing system. Some of the elements of this strategy are already in place and need only be strengthened. Others will require new legislation from the 96th Congress.

NATIONAL HEALTH PLAN AND OTHER IMPROVEMENTS

Last year I outlined the principles upon which the National Health Plan I intend to propose will be based. Based on those principles, the Administration has been working to develop a National Health Plan that will enable the country to reach the goal of comprehensive, universal health care coverage. I remain committed to that goal.

The need for improved health care coverage is clear:

About 19 million Americans have no health insurance.

Another 65 million Americans face potential bankruptcy because they lack insurance protecting them against catastrophic medical expenses.

The health care system is highly inflationary. Spending in the entire health care industry—has been rising at an annual rate of 12 percent. These expenditures cannot be successfully contained under current health delivery and financing methods, which produce unnecessary hospitalization, over-reliance on expensive technology and inadequate preventive care.

Health resources are unevenly distributed across the country, resulting in significant gaps in vital medical services for many residents of rural and inner city areas.

Over the next several weeks, we will be consulting closely with Congress and interested outside groups on the scope and nature of the plan I will propose. I expect to submit a plan later in the year shortly after those consultations have been completed, and I look forward to working with the Congress toward a prompt enactment of that plan.

An essential companion to any plan must be hospital cost containment legislation. As I have indicated earlier in this message, I will make passage of that legislation one of my highest priorities this year.

Our effort to control health care costs would be further strengthened by the early passage of the Health Planning Act.

We must also continue to promote competition in the health care sector of the economy. Accordingly, the FY '80 budget expands Federal support for Health Maintenance Organizations, which have demonstrated a significant potential for cost saving. I will also continue to press for reforms making it easier for HMO's to obtain equitable reimbursement under Medicare and Medicaid.

PREVENTION AND ACCESSIBLE HEALTH SERVICES

More health care services alone, however, will not necessarily improve the health status of our Nation—even if these services are affordable, accessible, and efficient. Our national health strategy must direct more attention to health promotion and disease prevention if we are to achieve our goal of improved health status. The Surgeon General will present this year a major report outlining our needs in this area. I will be asking for your help in carrying out many of its recommendations.

We have made great strides in expanding the availability of health care services to rural and low-income urban areas in recent years through the creation of the National Health Service Corps and the establishment of a system of Community Health Centers. If health care is to be accessible to all Americans, these programs must be expanded, and the fiscal year 1980 budget provides for such an expansion.

CHILD HEALTH ASSESSMENT

I believe that our health strategy must place high priority on the health of our children. Accordingly, I will submit a revised Child Health Assessment Program to improve the early and preventive screening, diagnosis, and treatment program for lower-income children under Medicaid. This program would cover over 2,000,000 low-income children who are not receiving Medicaid services. An additional 100,000 low-income pregnant women would become eligible for medical services prior to delivery, improving the health of both the mothers and infants. This should be part of a national health plan.

MENTAL HEALTH

Based upon last year's recommendations of the President's Commission on Mental Health, I will be proposing comprehensive mental health legislation this year along with a Mental Health Message. A new Community Mental Health System will make new efforts to link mental health, health, and social services for the chronically mentally ill to enable them to live successfully in the community and will provide new community mental health services. We will emphasize efforts to provide improved recognition and treatment of mental health problems in the general health care system. In addition, we will increase support for mental health research to restore our mental health research capacity, which the Commission found had seriously eroded over the past decade.

The First Lady has helped spearhead the Administration's efforts to sensitize the Nation to the problems in the mental health area. She will continue to work directly with me to implement the pertinent recommendations of the Commission.

DRUG ABUSE

In continuing our efforts to combat drug abuse, my Administration will rely on those programs and initiatives which have proven to be successful in the past year and which serve as building blocks for future programs. Today, in the United States, there are 110,000 fewer heroin addicts than there were in 1975; 1,000 fewer Americans died of herion overdoses in the twelve-month period ending June 30, 1978 than in the previous twelve months. Seizures of illegal drugs are at their highest level ever. Improved coordination and cooperation among Federal agencies have resulted in a more effective drug program without major budget increases. But much remains to be done and the situation remains serious.

In 1979 we will look more to the behavior of the individual who turns to drugs, will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program. These efforts should further our success in controlling drug abuse both in the United States and abroad.

DRUG REGULATION REFORM

My Administration will continue to work with the Congress to overhaul our current drug regulation laws in order to assure that consumers have prompt access to safe and effective drugs.

FOOD AND NUTRITION

Last year, we worked with the Congress to enact the Child Nutrition Amendments, which revamped many of our food programs and greatly expanded the Supplemental Food Program for Women, Infants and Children. This year I will propose further legislation to strengthen these and other food programs by: improving the targeting of school meal programs for the needy; instituting an error sanction scheme to encourage States to reduce costly Food Stamp errors; and eliminating the cap on food stamp expenditures. These reforms will insure that additional nutrition resources are targeted to those truly in need.

WORKER HEALTH AND SAFETY

We will continue to fully enforce laws protecting worker health and safety in a sensible and efficient manner. There will be further efforts to eliminate frivolous and unneeded rules while concentrating greater enforcement efforts on the most dangerous and particularly the most unhealthy occupational environments. More efficient management of this program will serve the interest that both labor and management have in better working conditions.

HOUSING

We are committed to holding down housing construction costs and eliminating unnecessary regulatory burdens, so that the American consumer will have an affordable choice in the housing marketplace. Our efforts will be accelerated this year. We have also supported introduction of the new money market certificates, which have helped the housing industry by maintaining a steady supply of mortgage credit.

The Administration has supported the provision of Federal housing assistance to low-and-moderate income people, including the elderly and the handicapped.

During the period of 1978 through 1980, the Administration will have committed resources for over one million additional units of assisted housing for low-and-moderate income renters and homeowners. This is evidence of our commitment to the goal of a decent home for every American. In 1980, I am recommending 325,000 units of housing for low-and-moderate income persons.

The problems of providing adequate housing in rural areas is especially acute. Lack of available land, high site development costs, widespread substandard, overcrowded housing, and limited credit opportunities continue to plague rural areas. Government attempts to help are often hampered by inappropriate, burdensome regulations and paperwork. This year the Administration will take steps to assure that Federal regulations accommodate locally acceptable housing codes and that the endless paperwork, inspections, and processing requirements currently mandated by the three major housing agencies, HUD, FHA, and VA, are consolidated and streamlined.

COMMUNITY DEVELOPMENT

My Administration remains committed to a partnership involving Federal, State, county, and local governments, the private sector, and community organizations. The Community Development Block Grant program is a cornerstone of that partnership, and I am proposing in my FY '80 budget that it be funded at the full authorization level. This will be an increase of $150 million in fiscal year 1980 above the fiscal year 1979 level.

In 1977, we developed the Urban Development Action Grant program and it has already succeeded in leveraging $2.9 billion in private investment and creating or saving 125,000 jobs. I am proposing a continuation of the Action Grant program next year, at the $400 million authorization level.

NEIGHBORHOODS

My Administration has been devoted to the preservation of neighborhoods and the development of sound neighborhood self-help projects. This goal has been evident in the emphasis on neighborhoods in my urban policy as well as in the operation of the Department of Housing and Urban Development and other agencies. Last year, as part of our urban policy, we proposed and Congress passed the Livable Cities and Neighborhood Self-Help Development programs to enable neighborhood groups and organizations to rebuild their neighborhoods. In addition, Congressional passage of the National Consumer Cooperative Bank makes available new sources of financing and technical assistance to groups who are engaged in building cooperative enterprises to reduce costs in key consumer goods and services.

This year, my Administration and Congress will receive the final report of the National Commission on Neighborhoods. We look forward to working with the Congress on many of the Commission's recommendations. With your help, we can make the Federal government increasingly more responsive to the needs of neighborhood people who are working together to meet basic needs in housing and community development, health care, nutrition, and energy conservation.

URBAN POLICY

Last year, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, thirteen of these bills passed last year.

I will again propose to the Congress several important parts of the urban policy not adopted last year. The two principal proposals are: an urban fiscal assistance program, and the National Development Bank.

My fiscal assistance proposal will include two principal components. The first, a standby countercyclical fiscal assistance program, will protect State and local governments against unexpected changes in the national economy. It would trigger into place if the national unemployment rate rises above 6.5 percent and would provide fiscal aid to many needy governments. The second component is a transitional, highly targeted fiscal assistance program that provides fiscal aid to only the most fiscally-distressed local governments. Relatively few cities and counties will be eligible for this highly targeted program; but those eligible will be truly in need. I will seek a $250 million supplemental in fiscal year 1979 and $150 million in fiscal year 1980 for this targeted fiscal assistance program.

I also will propose a National Development Bank to provide financing for local economic development projects which will aid the revitalization of our Nation's communities. As part of the Bank, I will propose a significant increase in economic development funding—$550 million in new economic development capital grants to business and $2.65 billion in new loan guarantee authority for fiscal year 1980.

This Bank will be the central engine for the economic development in the government. We will propose the consolidation of many economic development loan programs into the Bank as part of the economic development reorganization. This will add over $1 billion in additional loan authority.

SOCIAL SECURITY CHANGES

In 1977 the Congress worked with the Administration to take the difficult but necessary action to make the Social Security system financially sound for the next fifty years. In so doing, we helped protect the benefits of current recipients and of those now working. However, the Social Security system from time to time needs adaptation to changing conditions, so the Administration this year will make proposals which will reduce somewhat the cost of the program by trimming the costs of certain benefits. These proposals will be sent to the Social Security Advisory Council, which is representative of the contributing employers, employees and the public, and to the National Commission on Social Security, appointed in part by the Congress and in part by me, so they can have an ample opportunity to review these proposals prior to the submission of the changes to the Congress and the Administration and the Congress can have their recommendations, if any.

If the Administration's proposals for Social Security outlay reductions and hospital cost containment legislation are enacted, it would be possible to consider a reduction in Social Security taxes beginning in 1981. However, such a reduction would have to be considered in light of alternative uses of such savings, including reduction of any budget deficit and funding of high-priority programs.

Beyond the immediate reforms I have proposed, the Administration is committed to review the entire pension system that has developed in our country. I have established a Pension Commission to provide the type of long-range analysis this vital area needs.

DISABILITY INSURANCE REFORMS

I will propose to Congress an integrated package of reforms for the Disability Insurance system, separate from the Social Security changes I have just discussed. These measures will improve incentives for rehabilitation of the disabled, ensure that benefits do not exceed pre-disability disposable income, and make administration of the system simpler and more consistent. We must make certain that those who should receive benefits are not excluded, but that those who are not truly disabled or can otherwise return to work, do so.

WELFARE REFORM

The Nation's welfare system is inequitable, inefficient and long overdue for serious reform.

I will recommend to the Congress a package consisting of reforms in cash assistance, expansion of the earned income tax credit, an expansion of private and public job opportunities for welfare recipients, and fiscal relief for State and local governments. This package will enable us to develop a welfare system that is more simple, narrows the great differences in the way States help the very poor, that encourages people to work, and that helps eliminate the fraud and abuse currently plaguing parts of our welfare system.

My Administration has already begun to work closely with this Congress to enact welfare reform this year. We must expeditiously move forward with welfare reform this year.

FAMILIES

Our major social initiatives and goals for this year will be undertaken with vigor and with a commitment to the security and enhancement of the American family structure. Our government must never impede nor work against the American family, but rather we must design programs and policies that support families and ensure that future generations of American families will thrive and prosper. The White House Conference on the Family will continue and expedite its planning this year with that goal firmly in mind.

CHILD WELFARE REFORM

The Nation's present system of overlapping, inadequate child placement programs does a great disservice to parents, foster parents, and children in need of homes. There is too little emphasis on reunification of families and permanent placement of children; the special problems of hard-to-place children often go unattended. I will therefore again propose to Congress major reforms in our foster care and adoption services, and urge prompt Congressional approval. This problem must not be left unattended any longer.

OLDER AMERICANS

Early in the Administration we moved to correct one of the major concerns of older Americans: the possible bankruptcy of the Social Security Trust Funds. The legislation that was enacted ensures the financial solvency of the funds through the beginning of the next century.

The Administration has also acted to help remove discrimination against senior citizens by supporting the legislation which removed the forced retirement requirement in the Federal civil service and postponed mandatory retirement in the private sector from age 65 to 70. In addition, the Administration worked with the Congress to amend the Older Americans Act in a way that will improve the administration of the Act's social and housing programs, employment provisions, food delivery, and establishment of centers for the elderly.

This year the Administration will continue its efforts to ensure that seniors remain in the mainstream of American life, free from age discrimination and able to receive the assistance and other benefits they have earned.

VETERANS

Our Nation has no obligation more basic than providing for those men and women who served us as members of our armed forces.

There are still many veterans who need medical care, employment assistance, and assistance in adjusting to disabilities that resulted from their service.

During the last two years we have made significant improvements in programs to help meet all these needs.

In 1979 my Administration will seek legislation to increase compensation rates for disabled veterans, improve education programs for the disadvantaged under the G.I. Bill, provide special readjustment counseling assistance for those Vietnam Era Veterans who need them, and modernize the VA vocational rehabilitation program. These efforts will help veterans help themselves. In addition, we will continue to provide quality medical care in our VA hospital system by making it more efficient and thus more responsive to the needs of a changing veteran population.

EDUCATION

Improving skills and educational opportunities has been one of my Administration's major goals. To aid in this improvement, I have increased the Federal Office of Education budget authority alone by 50 percent since taking office—from $8 billion in fiscal year 1977 to $12.2 billion in the proposed fiscal year 1980 budget.

The increased education funding will continue to be targeted at programs which emphasize equal education opportunity, support for local schools, student assistance, basic skills, and the linkages between school and work.

School districts with high concentrations of low income children have extra costs in meeting their commitment to equal eduactional opportunity. Last year I proposed concentration grants which would give supplemental payments for compensatory education programs in high poverty school districts. This year I am requesting $400 million to fully fund this proposal.

As is stated elsewhere in this Message, I will continue to work with the Congress to create a Cabinet-level Department of Education. Through such a Department, we can make certain that education receives the attention at the Federal level that it deserves.

HIGHER EDUCATION

Last year, I signed into law the Middle Income Student Assistance Act, which extends Federal student aid to middle income families facing rising college tuition costs. I propose to fully fund the Basic Grants program and to continue funding for the other college student aid programs. This year I will propose reauthorization of our omnibus higher education legislation—the Higher Education Act and the National Defense Education Act. Through renewal of these acts, we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students.

Our Nation owes a debt of gratitude to the historically black colleges, which in the past were the only source of college education for talented blacks, and which today retain a critical importance to the production of college-educated black citizens. One-half of all college-educated blacks earned their degrees at black colleges. I have vowed that I would enhance the role of black colleges during my term in office. I recently directed all Federal agencies to utilize more fully the resources at black colleges. And, in my fiscal year 1980 budget I have increased funding for Howard University, and asked for $120 million to fully fund the Developing Institutions Program, which strengthens colleges with high concentrations of minority students.

SCIENCE AND TECHNOLOGY

When I came into office, I found Federal efforts to promote basic research and development lagging. I was determined to change this situation and develop a sounder scientific and technological foundation for the future. Basic scientific research and development is an investment in the Nation's future, essential for all fields, from health, agriculture, and environment to energy, space, and defense. We are enhancing the search for the causes of disease; we are undertaking research to anticipate and prevent significant environmental hazards; we are increasing research in astronomy; we will maintain our leadership in space sciences; and we are pushing back the frontiers in basic research for energy, defense and other critical national needs. Despite the severe budgetary constraints this year, we will continue to increase Federal support for basic research with a request for a 13 percent increase in outlays for fiscal year 1980.

Even though Federal funding for basic research is being increased, I believe that the government's role in demonstration and commercialization pilot projects should be more selective, with greater reliance upon private sector financing. We are enhancing our high technology approach to defense to counter the growth of Soviet forces. We have a broad energy research program that emphasizes long-term applications of solar, coal, geothermal, biomass and alternate nuclear technologies. But we will rely on industry to do its full part in the demonstration of new technologies in energy and in other fields.

Rather than government funding of their research and development, companies need more favorable investment climates, better economic growth, better trade prospects, and sound policies about patents, antitrust, procurement, and environmental regulation. Under the direction of the Department of Commerce, we are also engaged in a major Cabinet-level review of these aspects of technological innovation, with participation of numerous individuals from various industrial sectors.

Science and technology are playing an important part in our international relationships as well. Many countries, especially developing countries, look to America for our expertise and problem-solving abilities. I have proposed the establishment of a Foundation for International Technological Cooperation (FITC) to foster collaborative efforts with people and institutions in developing countries. These efforts will be directed to basic human needs in agriculture, nutrition, health, small-scale energy systems, and rural development.

Science and technology also have played a critical part in the dramatic advances of our relationship with the People's Repbulic of China. These scientific and technological relationships that will be built with China will be parallel to many such relationships we have established and enhanced over the years with other nations and groups of nations.

SPACE

Last year marked the 20th Anniversary of the National Aeronautics and Space Administration. The 21st year started with the incredible success of the Pioneer missions to Venus. This year we hope to open a new era in space with the first launch of the Space Shuttle.

Under the national civil space policy I announced last fall, we will remain dedicated to ensuring U.S. scientific and technological leadership in space. To further that policy, my budget request for fiscal year 1980 includes funding to maintain the Shuttle development and production schedule to continue space science and exploration; to initiate efforts on selected areas of advanced satellite communications techniques; and to enhance remote sensing activities that will bring benefits in areas such as earth resources, climate, weather, pollution and agriculture.

COMMUNICATIONS

Last year we worked with Congress to reorganize communications policy-making in the Executive Branch and enact legislation to strengthen public broadcasting. In 1979 our priorities will include:

continued work with Congress on the important effort to revise the Communications Act to take account of technological changes;

vigorous pursuit of the program already underway to increase minority ownership of broadcast stations through regulatory actions, government loan guarantees, and private loan and training programs;

a program to use new communications technologies to improve rural life by delivering education, agricultural, and medical services and by increasing the diversity of radio and TV;

elimination of unnecessary regulations and paperwork requirements in cooperation with the Federal Communications Commission;

proposals on the role of the Postal Service in providing electronic mail services; and

participation in the World Administrative Radio Conference to ensure that increasing demands for radio frequencies are balanced in a reasonable and flexible manner.

SMALL BUSINESS

As a former businessman, I am especially sensitive to the importance of small business in our economy and to the vital role the Federal government can play in assisting small business.

Through a number of actions over the past two years, my Administration has worked to help small business flourish and remain competitive. Under the leadership of the Small Business Administration, we have increased tax incentives significantly for small business; expanded small business loan opportunities; worked to increase small business exports; expanded opportunities for minority-owned small businesses; and initiated programs to increase small business opportunities for women. In addition, we have begun preparations for a White House Conference on Small Business in January of 1980 which will include local and regional conferences throughout the country.

This year, while continuing efforts to prepare for the White House Conference, the Administration will work closely with the Congress to develop legislation to improve the operation and effectiveness of the Small Business Administration.

CULTURAL AFFAIRS

Over the last decade, the National Endowments for the Arts and the Humanities have made enormous progress in developing projects and materials to enhance our Nation's cultural life. This year, the Endowments will continue their distinguished record of achievement. I am hopeful Congress will provide adequate funds for White House Conferences on the Arts and Humanities. This year we will also strengthen the programs of the International Communications Agency, which present the diversity of American culture to the world and deepen our appreciation of other cultures.

PROTECTING BASIC RIGHTS AND LIBERTIES

Since taking office, I have worked to protect and enhance the basic rights and liberties provided to Americans under the Constitution and our other laws. With the cooperation of the Congress, we have made important progress in this area. Over the next year, though, a great deal remains to be done if our goal of ensuring equality and basic freedoms for all Americans is to be realized. The dream of equal opportunity remains unfulfilled. I will do everything in my power to bring that dream closer to realization.

Civil Rights

CIVIL RIGHTS AND EQUAL OPPORTUNITY

I take no obligation of my office more seriously than that of striving to secure full civil rights and equal opportunity for all Americans. In the quarter century since the Supreme Court's historic desegregation decision, our Nation's progress in these vital areas of human rights had been significant, but we have more to do. I am determined to use all of my authority to resist any efforts to weaken enforcement of any of our civil rights and equal opportunity laws. Recent actions by some in Congress to impair my Administration's efforts to enforce the law of the land will be forcefully opposed. These laws have made our society more open to equality of opportunity than virtually any on earth, and attempts to weaken them cannot be tolerated or allowed to succeed.

My Administration has taken important steps to make civil rights enforcement more effective. The Justice Department has been diligent in its prosecution of civil rights violations. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) has been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines of Executive Order 11246, which prohibits employment discrimination by Federal contractors and requires affirmative action by these contractors. In addition the EEOC will continue this year to provide an effective central mechanism to enforce compliance with our equal opportunity laws.

As we have done in recent cases before the Supreme Court, my Administration will continue to strongly support affirmative action programs to help bring minorities into the mainstream of American life, while opposing rigid and inflexible quotas which have no place in our laws.

Beyond existing laws, however, as I state elsewhere in this Message, we need to ratify two Amendments to the Constitution which will significantly clarify and enhance the liberties and rights of Americans: The Equal Rights Amendment and the District of Columbia Voting Rights Amendment.

The Equal Rights Amendment will provide women with equal legal status in our country. We cannot effectively champion human rights throughout the world until we have given to women the full rights they are entitled to as citizens.

We must also work to ratify the amendment that will finally give the citizens of the District of Columbia the rights other Americans have to elect voting representation in Congress.

In addition, we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

WOMEN

One of the overriding concerns of my Administration is ensuring equal opportunity for women. Last year we worked closely with the Congress to extend the deadline for ratification of the Equal Rights Amendment until June 30, 1982. That extension will provide a greater opportunity to ensure ratification of this long-overdue Amendment. I will continue to dedicate myself, as well as the full resources of my Administration, to the ratification effort.

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This is not a battle that we can afford to lose. I am determined to win. The opposition to the Amendment cannot be solidly based on an understanding of its legal effect. The Amendment will do nothing more—nor less—than provide equality to more than one-half of America's population. I am confident that with the active support of the members of Congress from States which have not yet ratified, we can achieve ratification of ERA. I urge you to join the effort to provide women, at long last, with equal rights under the law.

My Administration has championed, and will continue to champion, the right of women to choose their roles in society. To protect those who have chosen the role of full-time homemaker:

We have succeeded in enacting legislation that provides assistance for displaced homemakers and we supported the legislation that has now reduced from 20 to 10 years the marriage requirement for a former wife to claim against her husband's social security entitlement.

We are facilitating the choice of many women to combine family and work responsibilities. To accomplish this goal:

we supported the legislation passed to increase part-time and flexible-hour employment opportunities; and

we supported the Pregnancy Disability Act that outlaws employment discrimination based upon pregnancy, childbirth, or related conditions.

We are striving to improve women's professional opportunities within the Federal government. To this end:

women have been appointed in senior positions in the Administration, including two Cabinet officers. About 20 percent of my senior appointees have been women, and many of them are in areas in which no previous women had served; and

we have strengthened and increased our equal employment opportunity enforcement.

This year, in addition to continuing our efforts to ratify the Equal Rights Amendment, we will work closely with the Congress to enhance the economic standing of women—particularly the poor, minority, and elderly—by improving their access to housing, health care, and child care for those who choose to work. We will expand additional opportunities this year for women business owners and will create a permanent interagency group to review and help improve the position of women business owners. I will make every effort to select as many women as possible to fill the 152 new Federal judgships. Their underrepresentation in the courts cannot be continued. Our country needs and deserves the full participation of women in our society, and I am committed to taking the steps needed to ensure this partnership.

DISTRICT OF COLUMBIA

My Administration worked with the 95th Congress to pass a proposed amendment to the Constitution granting full voting representation to the citizens of our Nation's Capital. The ratification process for this proposed amendment has begun and I urge the state legislatures which have not ratified the resolution to join with the States of New Jersey, Ohio and Michigan by promptly ratifying the amendment. My Administration will work this year in the effort to ratify this amendment.

My Administration will also work closely with the Congress and the new District Government under Mayor Marion Barry to expand home rule for the District. This includes streamlining the procedures for Congressional review of locally enacted legislation, removal of the Federal government from the District budgetary process by 1982, developing a rational formula for determining the Federal payment to the District, and an equitable Federal sharing of financial responsibility for funding of the District's pension plan for police, firemen, teachers and judges.

I will work with Mayor Barry to make our Nation's Capital city a model for the rest of the Nation to emulate.

NATIVE AMERICANS

The Federal government has a special responsibility to native Americans, and I intend to continue to exercise this responsibility fairly and sensitively. My Administration will continue to seek negotiated settlements to difficult conflicts over land, water, and other resources and will ensure that the trust relationship and self-determination principles continue to guide Indian policy. There are difficult conflicts which occasionally divide Indian and non-Indian citizens in this country. We will seek to exercise leadership to resolve these problems equitably and compassionately.

HANDICAPPED

For Americans with physical disabilities, this year will result in continued improvements in their accessibility to many opportunities those of us who are not disabled take for granted—education opportunities, employment opportunities, and greater access to public facilities and services. We will make further progress in removing obstacles that impede and discriminate against our disabled community. If our Nation is to remove the barriers of discrimination in our society, the Federal government must serve as a model in the successful removal of physical and physchological barriers thrown in the way of our Nation's disabled. The Section 504 Regulations issued by the Department of Health, Education, and Welfare provide a basis for the Federal government to lead the way in ensuring the rights of the handicapped.

UNDOCUMENTED ALIENS

One of the most difficult and sensitive domestic issues facing the country concerns the Federal government's policy toward undocumented aliens.

I continue to believe that effective but humane measures need to be devised which will help relieve the causes and effects of the presence of large numbers of undocumented aliens in this country. I will pursue this issue in my consultations with the government of Mexico during my visit there next month and will make no final decisions until after those consultations.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday, and I will strongly support legislation to achieve this.

MINORITY BUSINESS

This year we will move vigorously to implement the strong minority business legislation enacted by Congress in 1978; meet my goal of tripling Federal procurement from minority businesses (to a total of $3 billion); faithfully implementing the minority set-aside programs of the government and improve the operation of the several programs designed to achieve equal entrepreneurial opportunity and vital minority economic development. We are currently evaluating the adequacy and organization of current minority business development programs, with the commitment to taking whatever action, legislative or administrative, is needed to ensure that their operation is efficient and effective.

Civil Liberties

PRIVACY

Government and private institutions collect increasingly large amounts of personal data and use them to make many crucial decisions about individuals. Much of this information is needed to enforce laws, deliver benefits, provide credit, and conduct similar important services. However, these interests must be balanced against the individual's right to privacy and against the harm that unfair uses of information can cause. Individuals should be able to know what information organizations collect and maintain about them; they should be able to correct inaccurate records; and there should be limits on the disclosure of particularly sensitive personal information.

My Administration is developing a comprehensive privacy policy to address these concerns. Last year, legislation was enacted which established restrictions on wiretapping for intelligence purposes and on government access to financial records. Early in 1979, I will propose privacy legislation to cover medical, financial, and other sensitive personal records. I will also take administrative actions to strengthen privacy controls for Federal agencies' records. These measures will go far toward giving all American citizens the privacy protections they need in a modern society.

I recently announced my intention to submit legislation to Congress protecting the rights of the press, and others preparing materials for publications, from searches and seizures undertaken without judicial approval. Under the legislation I will propose, Federal, State and local law enforcement officials will generally be required to obtain a subpoena before conducting a search or seizure against those preparing materials for publication. Such legislation, which would deal with the problems created by the Supreme Court's decision in the *Stanford Daily* case, should serve as a solid protection of the rights of the news media and others under the Fourth Amendment.

LABOR LAW REFORM

The Nation's labor laws are vital to ensuring that a sound labor-management relationship exists in collective bargaining. Efforts to abuse those labor laws, especially by unduly slowing or blocking their implementation, have increased in recent years. As a result, a reform of our labor laws is required in order to guarantee that their intended spirit is fully observed and enforced.

I am again prepared to work with the Congress to develop legislation which improves the fairness and effectiveness of our labor laws. Efforts to defeat this legislation last year were based on emotion and a lack of information about its actual effect. If the will of the majority in Congress is allowed to prevail, we can enact sound labor law legislation.

EXPORT ADMINISTRATION/ANTI-FOREIGN BOYCOTT

My Administration will work with the Congress to reauthorize the Export Administration Act, which plays a vital role in ensuring that American trade serves our national interest. We will make particular efforts to reauthorize that part of the Act which prohibits American compliance with the foreign economic boycott of Israel. The anti-boycott amendments passed by the Congress were fair and equitable and must continue to be strenuously enforced.

INTELLIGENCE CHARTERS

I will be working closely with the Congress to develop and enact sanctutory charters for the intelligence community. The charters, for the first time, will define in law the duties and responsibilities of our intelligence agencies and will set forth the authority of those agencies to fulfill those responsibilities. The disclosures of abuses in recent years make clear the need for charters, and my Administration is strongly committed to developing and passing charter legislation that protects our citizens' rights, while permitting our intelligence agencies to perform effectively their essential duties.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. My Administration will continue to work with the Congress to develop a Federal criminal code which simplifies and clarifies our criminal laws—as well as protects our basic civil liberties. The criminal code which passed the Senate in the last session can serve as a basis for progress this year.

HATCH ACT REFORM

We will continue to support efforts to reform the Hatch Act so that Federal employees in non-sensitive positions will have the right to participate in off-the-job political activities while preventing any on-the-job political abuse.

HUNGER

We share a growing concern with other Nations and their people over the serious problem of world hunger. While our government and the governments of other Nations and international organizations are working to assure the basic right to food, the problems of hunger and malnutrition are a daily fact of life for millions of people throughout the world. In order to make our own programs more effective and to examine additional efforts that might be undertaken, I have established the Presidential Commission on World Hunger, under the leadership of Ambassador Sol Linowitz, to recommend realistic solutions which we and other Nations might undertake in a prompt and efficient manner. The Commission will report to me this year and will then be involved in the implementation of its recommendations. The Administration will be working closely with Congress on the Commission's recommendation.

HOLOCAUST COMMISSION

Last year I established a Holocaust Commission to recommend to me how our government might officially recognize, for the first time, the tragedy of the Holocaust. The Commission's work is well underway, and I will receive its report this year. I expect to work together with Congress in developing a suitable memorial to the millions who died in the Holocaust.

Preserving and Developing Natural Resources

My highest legislation priority during the 95th Congress was enactment of our first national energy plan. The dedication of many members of Congress made that goal a reality. My Administration is committed to using that legislation as the foundation for further efforts to reduce our dependence on foreign oil; to increase our ability to develop domestic energy sources; and to conserve wasted energy.

Our energy and other development goals can and will be reconciled with the Administration's resolve to clean the Nation's air and water and to preserve our most precious natural resources. We will continue to further the protection of our environment.

We will continue to develop our fertile agricultural land. The Administration is committed to helping our Nation's farmers continue to achieve record yields and exports.

Energy

The Administration remains committed to meeting our future energy needs. Building upon the framework of the National Energy Act, signed last November, we will be addressing key issues such as further developing and commercializing solar and renewable energy resources, making better use of our coal reserves and other abundant energy resources, continuing our emphasis on using energy more efficiently, and improving the manner in which we produce and use conventional sources of energy such as oil, natural gas, and uranium. To minimize the impacts of potential supply disruptions, we will continue the storage of oil in the Strategic Petroleum Reserve, and will be submitting for Congressional approval overall energy contingency plans.

While much remains to be done in the energy area, past investments in improving our energy supplies and our energy use are beginning to pay off: the rate of growth of our industrial energy use has dropped while industrial production has increased. From 1975 to 1977 the growth in domestic energy consumption has been 70 percent of the growth in GNP. Previously, the two growth rates had been roughly equal. With significant improvements in automobile efficiency, gasoline consumption is an estimated 5 percent lower than it otherwise would have been. Use of heating oil, electricity, and other home energy sources has become much more efficient. Oil consumption grew last year at a rate of only 1.5 percent.

On the supply side, the new natural gas legislation, whose provisions have just begun to take effect, will ensure new domestic production of this premium fuel and help expedite the delivery of natural gas to the interstate market. Furthermore, due to the addition of Alaska North Slope oil, our domestic production of oil has held steady over the last year, and foreign imports were down in 1978.

In 1979 and the fiscal year 1980 budget we are continuing strong investments in energy research and development. The fiscal year 1980 budget provides outlays of $3.7 billion for a wide range of programs to develop energy technologies for the future. Particular emphasis will be given to long-term solar energy research and development, to improvements in the mining and burning of coal, fission and fusion research, to improvements in existing technologies for conservation, oil and gas recovery, and uranium efficiency, and to energy-related basic research. These commitments to technologies for the future, both long and shorter term, are critical to a sound and comprehensive energy policy.

SOLAR ENERGY

Within the next few weeks, I will send to the Congress a message on solar energy based on an interagency study under the Domestic Policy Review System. The transition to wide-spread use of solar and renewable resources can and must begin now. Solar, wind energy, and use of biomass resources can contribute significantly in both the short and long run to meeting our Nation's energy needs. Some of these technologies, such as solar heat and hot water, use of biomass for generation of electricity, and wind energy, are available now and are competing with other conventional energy sources. The tax credits in the National Energy Act, along with other commercialization incentives, will help accelerate the use of solar and other renewable technologies in the residential and industrial sectors of our economy.

The fiscal year 1980 Budget increases our government-wide solar research and development program by 40 percent over fiscal year 1979. Total expenditures for solar energy will exceed $800 million, including tax credits and important initiatives undertaken by the Department of Energy, the Agency for International Development, the Tennessee Valley Authority, the Department of Agriculture and the Small Business Administration. Application of solar technologies in federally-owned buildings will also increase, thereby providing new markets for our existing solar industry.

In our research and development program, strong emphasis will be given to photovoltaics through which electricity can be produced directly from solar energy. Conversion of organic materials to usable energy forms will also receive increased funding. Funds for the new Solar Energy Research Institute at Golden, Colorado, will also be increased.

The proposals I will later announce, coupled with the fiscal year 1980 budget, will chart a firm and ambitious course for accelerating the use of solar and other renewable energy sources both now and in the future. The time for solar energy has come.

OTHER ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION

In the coming year, significant investments will be made in the demonstration of technologies which can convert coal to more useable and environmentally acceptable energy forms, continued strong research and development in fusion, development of geothermal energy sources, such as hot underground brines and hot rock resources, and efforts to resolve a range of environmental issues which these and other technologies raise.

NUCLEAR ENERGY

A wide range of Administration initiatives, both legislative and administrative, will be proposed to ensure that this country can further use light water reactors for the generation of electricity, safely and efficiently. Of central importance will be the development and implementation of a strong, responsible program to manage and dispose of nuclear wastes. As a result of the work of the Interagency Review Group on Waste Management, I will be making a series of legislative and administrative recommendations to ensure that the necessary schedules, coordination, and legislative authorities are firmly in place. Public discussion and participation in the nuclear waste management area, along with the close cooperation of State and local elected officials, will receive continued high priority. Legislation will also be proposed to provide interim storage for spent fuel from existing reactors until a permanent waste repository is established.

Enactment of nuclear licensing and siting legislation to shorten the leadtimes required to plan, locate, construct and license nuclear power reactors will again be sought. Design and construction activities for the new centrifuge enrichment plant at Portsmouth, Ohio, will continue to ensure that the United States is able to meet the nuclear fuel needs of our domestic industry, as well as our international customers who share our non-proliferation objectives. These activities, coupled with the Administration's waste management program will help ensure that our country can continue to rely on current nuclear technologies to meet power needs.

Looking toward the future, we will seek to improve the efficiency of our existing power reactors by reducing their uranium feed requirements. For the longer run, the Administration will maintain and strengthen the strong research and development program we now have for more advanced nuclear fission technologies such as the fast breeder reactor. We continue to believe that the Clinch River Breeder reactor project is premature, technically inadequate, and should not go forward, but the Administration is committed to keeping the breeder option open for the future.

DOMESTIC CRUDE OIL PRICING

Provision of adequate incentives for both domestic production of crude oil and for conservation must be carefully weighed in light of our efforts to control inflation. In consultation with the Congress, I will be making my decisions and recommendations on domestic crude oil pricing and related issues later this year.

ENERGY IMPACT ASSISTANCE

As new domestic energy resources are developed, particularly in rural or isolated areas of the country, provision must be made for the needs of rapidly developing communities. The Administration will again seek enactment of legislation establishing an Inland Energy Assistance program, with funding of $150 million per year, to aid those states and local areas which are experiencing a rapid growth in population as a result of new energy supply development. These communities often cannot plan for or meet increased need for new public facilities or services, since the population increases occur before the new energy supply activities are fully developed and producing local revenues. This legislation is essential to ensure that the burdens associated with solving our energy problems are borne equitably by all citizens and regions of the country.

MANAGEMENT OF FEDERAL ENERGY RESOURCES

The last two Congresses passed landmark legislation to reform the management of federally-owned coal, oil and gas resources. These new laws include Federal strip mine controls, and amendments to the Outer Continental Shelf Lands Act and the Mineral Leasing Act. With this new framework, the Administration is proceeding to implement swiftly new programs which will permit increased leasing and development activities while protecting our environment.

WATER POLICY LEGISLATION

Water is a basic human necessity and its proper management is essential to economic activity, particularly in the arid West. The policies of my Administration are designed to emphasize the more efficient use of water as well as the need to provide adequate water supplies. We are particularly sensitive to the interests of the West and other areas in the development of additional water resources, to the importance of water conservation, and to the concerns of many Eastern urban areas about their water systems.

Last year I announced a comprehensive water policy which included many reforms now being implemented administratively. In addition, I will propose legislation to increase the role of the States in water policy, through increased water planning grants and through new grants for state water conservation programs. I will also propose legislation which would provide for states to share in the costs of Federal water projects. This cost sharing proposal will result in direct participation by states in setting water project priorities and will help insure that Federal programs are responsive to the most pressing water-related needs.

Congressional action is also needed on Administration Amendments to modernize the 1902 Reclamation Act to ensure that acreage limitations in federally-funded irrigation projects are equitable and fair.

ENVIRONMENT

My Administration is committed to balancing the needs for development, conservation and preservation of our natural resources.

Our Nation has been blessed with an outstanding natural heritage which, if properly cared for, can meet our needs for food and fiber, mineral, energy, recreation, and solitude in a way that is environmentally sound. The Congress and the Administration have worked together over the past two years to achieve this goal. We have enacted the first Federal standards for strip-mining coal; we have improved and extended the Clean Air and Clean Water Acts; we have created a substantial number of new National Parks and other protected areas. During 1979, protection of Alaska lands, implementation of water policy, resolution of wilderness and nonwilderness designations in the National Forest System and reformed management of Federal energy resources will be major environmental initiatives of my Administration. Efforts to enforce and implement environmental statutes firmly and fairly, to streamline environmental review requirements, to protect public health and to preserve wildlife resources will continue to be pursued vigorously and as cost-effectively as possible.

ALASKA

As in the last Congress, passage of legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. To protect these magnificent Alaskan wild lands, I took several actions after the adjournment of the 95th Congress, including the creation of 17 National Monuments covering 56 million acres. These areas, as well as other outstanding parts of Alaska covered in Administration proposals, should be protected promptly by legislation in order to assure that the great national treasures of wildlife, scenery, history and untouched ecosystems can be saved for our children and grandchildren, while permitting appropriate commercial use of certain of the areas.

ROADLESS AREA DESIGNATIONS (RARE II)

The Agriculture Department has released tentative recommendations and nearly completed work on a study which will lead to proposals to resolve the status of most of the remaining roadless areas in the National Forest System. The Administration proposal will involve additional wilderness designations in many States and the release of remaining lands for nonwilderness activities. This initiative will also eliminate uncertainty over land uses in most parts of the National Forest System and will ensure that development uses will be adequately supported, while preserving critical parts of our natural heritage in an unspoiled condition.

ENVIRONMENTAL PROTECTION

In recent years, the quality of our environment has improved, but much remains to be done to clean up our air and water, and to control contamination by toxic materials. The Environmental Protection Agency is focussing its efforts on the protection of public health by assessing the effects of substances before they are introduced into the environment, and by ensuring that hazardous wastes are disposed of safely.

At the same time, EPA, and the other health and safety agencies are exercising new care when implementing environmental regulations to avoid imposing unnecessary costs or red tape. A healthy, safe environment need not be incompatible with a healthy economy. We are committed to both.

The Nation's investment in environment cleanup must have the incentives and the flexibility to allow our most important environmental goals to be achieved at the lowest cost. Unnecessary requirements which cause delays and increase costs will be removed. EPA will simplify and consolidate its permit programs to reduce paperwork, red tape and delays.

The Agency is beginning to introduce innovations which allow firms the flexibility to find the lowest cost methods of controlling pollution. I will submit legislation to consolidate Federal funds for environmental programs at the State level, thus giving the States more flexibility to use these funds to deal with their most pressing environmental problems.

These and other changes we are making will assure the American public that the money we spend on environmental controls is the best investment we can make in our future and our children's future.

THE STATE OF FOOD AND AGRICULTURE

World food security has been substantially improved in 1978. For the third consecutive year, good-to-record crops were harvested in most parts of the world, pushing supplies to record quantities and creating the opportunity for people all over the world to improve their diets.

For the United States, 1978 was also a year of records. Large food and record feed grain crops were harvested by U.S. producers, re-emphasizing the U.S. farm sector's capability to lead the world in productivity. But despite the record crops which placed downward pressure on prices here and abroad, our farm economy became stronger in 1978 and our agricultural trade reached record levels.

The value of U.S. agricultural exports reached $27.3 billion in fiscal 1978—14 percent above 1977's record. The volume of our farm exports was a record 125 million metric tons—up 18 percent from 1977. Agricultural trade made another record contribution to our balance of payments—$13.4 billion in fiscal 1978. Exports also accounted for one out of every four dollars the U.S. farmer earned.

Net farm income, which was $20.6 billion in 1977, is estimated at over $28 billion for 1978—second highest on record. In constant dollars, this was the best year since 1975. This was achieved while we met our domestic needs, fulfilled our commitments to our overseas customers and built reserves for future stability protection. This recovery in agriculture has been shared by crop and livestock producers alike. Indeed, American livestock producers can now look forward to several years of good returns to help them recover from the last four years which were marked by poor prices and forced liquidation of herds.

Part of the recovery in the farm sector can be attributed to the programs and policies adopted by my Administration and the Congress—which farmers have used to improve their incomes and stabilize prices.

I am personally proud of the recovery our farmers have made.

INTERNATIONAL AGRICULTURAL TRADE

Over the past 2 years, this Administration has worked to reduce barriers to international trade and to develop new markets and encourage increased exports of agricultural products. The Agricultural Trade Act of 1978, for example, provides important new authorities for intermediate credit and the establishment of trade offices in major markets. We have moved to establish new and stronger trade ties with several nations, including Japan and the People's Republic of China. Partly as a result of these efforts, exports of U.S. farm produced goods are expected to reach a record $29 billion in fiscal 1979—21 percent higher than 2 years ago—and contribute $15 billion to our balance of payments.

Unlike previous Multilateral Trade Negotiations, in the current MTN we have placed heavy emphasis on the lessening of restrictions on trade in agricultural products. Our efforts here should have a major impact on U.S. agriculture in the future, by broadening our access to important existing and new international markets.

CROP INSURANCE

The Federal government now operates several programs to protect farmers from economic losses associated with crop failure. The experience of recent years with these programs has demonstrated their many serious shortcomings—in the breadth of coverage, the equity of program benefits, and the efficiency of program administration.

We will propose again a comprehensive, nationwide all-risk insurance reform bill to the 96th Congress aimed at providing fairer and more effective protection for farmers, and at no additional cost to the taxpayer. Under this proposal, several existing disaster assistance programs would be consolidated into one comprehensive, share-the-cost program to ensure against economic losses resulting from natural disaster and other uncontrollable risks.

INTERNATIONAL EMERGENCY WHEAT RESERVE

The cornerstone of our domestic food and agricultural policy is the farmer-owned grain reserve. In little more than a year, we have built this into a 1.3 billion bushel grain reserve—the equivalent of more than a third of our carry-over stocks from the past year. These stocks remain under the ownership of those farmers who produced them rather than in the hands of government or international grain traders. This reserve provides a critical cushion against shocks in the market caused by production shortfalls either here or abroad.

We now need to establish the same sort of protection for our international food aid programs. Accordingly, the Administration will reintroduce legislation to authorize the establishment and management of an international emergency wheat reserve. This reserve will provide developing countries assurance that we will be able to fulfill our food aid commitments. At the same time, it will protect the domestic economy from further inflationary pressures during periods of grain shortages.

SUGAR

In the absence of Congressional passage of a domestic sugar program in the last session, the Administration has taken several further steps to assure domestic producers of a fair return and consumers an assured supply at stable prices. To underscore Administration commitment to achieving ratification of the International Sugar Agreement, I directed that sugar imports from countries not party to the agreement be strictly limited to the levels permitted under the agreement for 1979. We have also asked for and received an extension of the deadline for ratifying the ISA to June 30, 1979. In addition, at the end of last year, I issued a proclamation that provides for a new, more flexible system of sugar import fees protecting a domestic raw sugar price of 15 cents per pound.

To help stabilize world sugar prices, to satisfy our international commitments, and to protect our domestic sugar producers, my Administration is committed to working with the Congress to develop an effective, non-inflationary domestic sugar program early in this session, and to achieve ratification of the International Sugar Agreement.

RURAL DEVELOPMENT

Throughout 1978 my Administration took steps to make existing Federal rural development programs work better. For many rural areas, and for most rural residents, the 1970's have been a period of rapid growth and development. Income levels have risen and large numbers of better jobs have been created in rural communities across the Nation. Rates of population and employment growth for rural areas have been substantially greater than for urban areas—causing problems of unplanned rapid growth in some areas but also reversing decades of rural out-migration and economic stagnation. Nevertheless, rural Americans still experience a disproportionate concentration of pressing human problems:

two-thirds of all homes lacking complete plumbing are in rural areas;

rural infant mortality rates are 10 percent higher than urban ones;

70 percent of the rural poor and half of the rural elderly have no automobile, causing great hardship because of the distances to travel to get access to basic health care, jobs, and other social services;

while only a quarter of all Americans live in rural areas, 40 percent of the Nation's poor live there.

For too long the small town mayor, the rural county official and the individual rural American have been frustrated by a maze of Federal grant applications, requirements, eligibility standards, audits and deadlines which have made it virtually impossible to address these rural problems effectively.

For too many years, money and time has been wasted. We are moving to address this chronic problem. In the last year, White House Rural Development initiatives have resulted in:

a commitment to build 300 rural primary health clinics to serve 1.3 million Americans who lacked access to care;

major streamlining of the rural water and sewer grant process through which five agencies distribute $2.5 billion in Federal funds each year. The new process permits a single application, single audit, single funding source and single point of Federal contact—at a savings to local government of several hundred million dollars each year along with a reduction in processing time of as much as 15 months; and

specially targeted rural job training programs for rural disadvantaged in the water and sewer and health support fields.

This effort to address rural problems will continue and be expanded in 1979, addressing the problems of rural transportation, housing, and economic development among others. In addition, during the year I plan to articulate a set of overall rural development principles and goals which will guide the actions of my Administration. These principles will provide focus, direction and priority to the myriad of now separate Federal actions and policies, so that we can more effectively work to:

overcome the problems of rural isolation;

promote economic development;

meet basic human needs;

protect the quality of rural life;

assure equity in the administration of Federal programs for which rural Americans are eligible; and

build a more effective partnership among Federal, State and local governments and the private sector in meeting locally defined rural development priorities.

Furthermore, several other Administration initiatives will have an impact on the conditions in rural America. We will make certain that the rural perspective is considered as initiatives are developed in such areas as welfare reform and a national health plan.

FOREIGN POLICY PRIORITIES—THE CONTINUING CHALLENGES OF CHANGE

When I took office two years ago this month, I was convinced that America had to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives:

to buttress American power on which global security and stability depend;

to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;

to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;

to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

Progress towards these goals depends first on our ability as a Nation to work together in the common interest. During the coming year, the Congress, the Executive, and the public will be addressing an unusually wide range of international issues. The action taken will have an impact on our Nation's position in the world for many years to come—in establishing a secure nuclear balance, in developing closer relations with the world's most populous Nation; in achieving an historic step towards peace in the Middle East; or in setting the pattern of trade relations during the next decade and beyond.

This report elaborates on my address to the Congress and, in particular, concentrates on the issues in which the role of the Congress will be most important to building a new foundation for peace. In each case, the challenge is clear: to exercise strong American leadership with others to shape change rather than permit change to shape us.

AMERICA'S MILITARY STRENGTH

Elsewhere in this report I have described the domestic programs and policies required for a just, united and productive America. The maintenance of American military strength is an essential foundation for a successful foreign policy that safeguards our freedom, our accomplishments and our friendships. In a world of accelerating change, fraught with potential danger and uncertainty, and marked by a continuing Soviet military buildup, we must have, together with our allies, unsurpassed military capability to deter attack or attempts at political coercion. Moreover, we must have the military force to mount an effective defense at any level of hostilities where our vital interests are jeopardized.

The defense budget which I have presented to the Congress funds a program of prudent investments that will ensure the effectiveness of our strategic and conventional military posture. It will:

begin full-scale development of a new, more survivable ballistic missile system to enhance the ICBM component of our strategic triad;

maintain the Trident submarine and missile programs, increasing the security, striking power and the range of our submarine force;

extend the effectiveness of our bomber force with the addition of air-launched cruise missiles;

pursue a vigorous program of research and development in cruise missiles, aircraft and other systems to ensure the continued technological superiority of America's nuclear deterrent.

In addition, the defense budget I have submitted this week will strengthen our conventional capabilities to fulfill our commitments to our major allies and friends and retain a credible military presence in both the Atlantic and the Pacific. We will continue to add armor and firepower to our infantry and build a more modern, smaller aircraft carrier which, together with more frigates and destroyers, will improve the effectiveness and flexibility of our surface fleet.

In NATO, we have already achieved important progress toward making the Alliance more effective in the changing security environment.

We helped launch the Alliance's Long-Term Defense Program to offset growing Soviet modernization of its deployments in Europe. The LTDP will increase NATO military capabilities through better coordination of defense efforts, increased investment, and more modern equipment.

We removed, with the support of Congress, a serious obstacle to strengthening Turkey's defensive capabilities and made further progress toward the reintegration of Greek armed forces into NATO's military structure; both these efforts helped repair a serious deficiency on NATO's southern flank.

We neared final agreement with the Portuguese on the renewal of our base rights in the Azores.

The provision of adequate military as well as economic assistance to Turkey, Portugal and other allies and friends in need will be a matter of high priority during the coming year.

NATO's strength is growing. In 1979, we can further that encouraging process by standardizing more of the Alliance's equipment and improving Allied readiness. The proposal I will soon put before the 96th Congress calls for the authorization of intergovernmental agreements to simplify logistical problems both in peacetime and during any period of hostilities. Such agreements will permit the U.S. to reinforce NATO more rapidly and provide more effective defense at lower cost.

We also intend to maintain a vigorous American military presence in the Pacific. Successful completion of a revised military base agreement in the Philippines, following ten years of negotiations, provides an essential underpinning for our military capability in Asia.

Congressional authorization for the transfer of military equipment to the Republic of Korea was another contribution to assuring the security of Korea and Japan. Both actions unmistakably signal not only our desire to promote East Asian stability but our intention to remain a concerned, involved and responsible power in the Pacific.

The essential task of improving our military posture must also be accompanied by increased efficiency. I take this opportunity to thank the Congress for its support last year of our actions to reduce waste and needless duplication in our defense budget. Vigorous cost-saving efforts will continue this year in order to assure that the United States will possess strong military forces at the lowest possible cost.

Building the Community of Nations

Military strength is essential to peace but cannot alone guarantee it. The system of cooperation we have with the rest of the world is part of the foundation for our own security. Our best hope for a safer America and a peaceful world resides in the building of closer ties with as many nations as possible.

THE MAJOR ALLIES

Throughout 1978, the North Atlantic Alliance and the growing partnership which links us with both Western Europe and Japan remained at the heart of our foreign policy. The cooperation we share with those whose purposes and traditions are closest to our own is strong and growing stronger.

Through our summit meetings, and through an unprecedented pattern of consultations at other levels of our governments, we are working together on virtually all of today's most critical issues:

together we are seeking to reduce the risk of nuclear confrontation;

we are working on ways to strengthen the common defense;

we are attempting to promote a peaceful transition in southern Africa;

we are striving to resolve conflicts in the Eastern Mediterranean to support a just and lasting peace in the Middle East and to maintain stability in the Persian Gulf;

we are contributing to a sounder international economy;

we are consulting on the issues that confront all our societies: the problems of youth and age, family and community, growth and conservation—in short, advancing our democratic ideals at home in a time of change in each of our countries.

America's role as host for the NATO summit meeting in Washington last spring, and our attendance at the seven-nation economic summit in Bonn last summer, symbolized American commitment to the strength of relations with Europe and Japan. I look forward to meeting these and other allied leaders at the Tokyo Summit next June, where we will continue the essential effort to deepen further the cooperation between us.

A WIDER COMMUNITY

The changing realities of political and economic interdependence require that we strengthen our ties throughout the developing world and seek to improve relations with Communist nations as well.

My trips to Nigeria, India, Saudi Arabia, Iran, Brazil, and Venezuela underlined American sympathy and support for the international roles these countries are playing in the process of world change. Strengthened consultations with the ASEAN nations serve the same end.

My trip to Mexico early next month will be a part of this process; Mexico is important to us not only because it is a neighbor but also because it is one of the most vigorous democracies in this Hemisphere and a leader in the developing world. As neighbors, we share an agenda of common concerns—trade, migration, economic growth and social development—that provides an opportunity to establish a uniquely productive, cooperative relationship.

My trip to Poland and the visits of Secretary Vance and Secretary Blumenthal to Hungary and Romania underscore the importance we attach to better relations with the nations of Eastern Europe. The support of the Congress for our policy toward Eastern Europe has provided a strong foundation for building a stronger economic, cultural and political relationship—a process that will continue to go forward in the coming year.

CHINA

The arrival next week of the first leader of the People's Republic of China to officially visit Washington will give us an early and welcome opportunity in the new year not only to cement the ties of friendship and hospitality between us but to emphasize our expectation that our relationship with China will be a constructive one. It will contribute to diversity in the world and to peace and stability in Asia. It is not directed against the interests of any other country.

To fulfill the promise of this new era in Sino-American relations, we will require legislation and support from the Congress. Such legislation is particularly important to facilitate continued trade and other relations with the people of Taiwan through non-governmental instrumentalities and to assure continued peace and prosperity there. This has very high priority in our legislative program for 1979.

USSR

We seek better relatic[illegible], with both the Soviet Union and the People's Republic of China. Doing so is profoundly in the interests of our Nation and of global security.

I therefore would like also to welcome President Brezhnev to our country in the near future. At that time we would hope to conclude an agreement curbing the strategic arms race. There are other areas where our two nations can work constructively together. These include a comprehensive nuclear test ban treaty; limits on Indian Ocean deployments, and on the transfer of conventional arms; and restraint in areas of turbulence and tension. Such cooperative effort would do much to make the world a safer place for all.

We will never ignore Soviet actions which challenge out interests. We both have a responsibility to our peoples and the world to maintain a pattern of detente which is genuinely reciprocal and broadly defined.

DEALING WITH WORLD PROBLEMS

A true world community cannot be fashioned or endure so long as the weapons of war multiply and spread, so long as ancient disputes fester and the demands for justice are unmet, so long as much of mankind remains impoverished and without hope.

As I emphasized in my State of the Union address, the need to curb the strategic arms race has never been more urgent. It increases the risk of nuclear war. It is a needless competition that draws away scarce resources we need to invest in other areas of our Nation's strength. It undermines American's security.

The conclusion and ratification of a satisfactory SALT II Treaty with the Soviet Union is therefore among our top priorities. It will make a major contribution to enhancing our long-term security, while keeping open our options to carry out needed modernization of our strategic forces and preserve our deterrence.

We will take whatever time is necessary to negotiate a sound, verifiable agreement. I am convinced that once the American people and Congress have had a chance to examine the terms and benefits of this Treaty—and consider the shape of our future without it—they will conclude it serves our vital security interests.

We will continue to consult the Congress as we proceed this year with other important arms control negotiations: on a comprehensive nuclear test ban; the prevention of anti-satellite warfare; mutual and balanced force reductions in Europe; and limits on the rising tide of conventional arms transfers.

The risks inherent in the proliferation of nuclear technology figure prominently among the dangers to the world community. Although we and the rest of the world still have far to go in dealing responsibly with such risks, the United States took an important step last March with the adoption of the Nuclear Non-Proliferation Act. For the first time in our history we established comprehensive legislation covering international cooperation in the nuclear field and the export of nuclear-related materials. To build on that promising beginning throughout 1979, we need progress in the following areas, both nuclear and non-nuclear:

The International Nuclear Fuel Cycle Evaluation (INFCE), a 53-nation effort, can help us develop a new international nuclear fuel consensus that will adequately balance energy needs with non-proliferation concerns. We continue to believe that better alternatives exist to the commercialization of dangerous breeder reactors and we will cooperate as fully as possible with other countries in exploring those alternatives.

We will seek more substantial progress in the problem of managing nuclear waste and in attracting greater international support for the acceptance of nuclear safeguards. I ask the Senate to ratify the treaty on the IAEA Voluntary Safeguards Offer which will provide concrete proof of our belief that international safeguards do not interfere with the successful development and operation of commercial nuclear power.

I will call for early Senate ratification of Protocol I of the Treaty of Tlatelolco, which will contribute to the lessening of nuclear dangers for our Latin American neighbors; the U.S. and Cuba are now the only countries in our Hemisphere which have not yet ratified that Treaty.

REGIONAL CONFLICT AND TENSION

Curbing the means of war cannot in itself remove the threat of war. For that, we must seek to resolve conflicts, ease tension and build trust. The urgency of this task and its importance to the United States and the world is nowhere more clear than in the Middle East. Though there has been great progress, the goal of a just and lasting settlement in that troubled part of the world still eludes us. No one who has looked at Middle East history can harbor any illusion about the difficulties ahead. Yet we have made great strides toward a final peace agreement between the two principal adversaries in the Middle East. The differences which they have overcome far outweigh the issues which still divide them. Israeli and Egyptian commitment to peace will provide an indispensable step toward peace between Israel and all its neighbors and foster the stability and orderly change we favor for the entire Middle East region. Peace will permit us to strengthen our ties with the Arab states in the region and enhance our relationship with Israel, a relationship which will always be special to us.

In 1979 I will count on the continued collaboration of the 96th Congress on behalf of our efforts to gain and maintain peace throughout the region. The support of the Congress and the American people for a purposeful role in that region is particularly important in light of the tumultuous events taking place in Iran. Since the end of the Second World War, the United States has maintained a close relationship with Iran and it has a vital interest in Iran's independence and integrity. The people of Iran should shape their own future without foreign interference. That is the policy of the government of the United States and we expect it to be the policy of all of Iran's neighbors.

AFRICA

Congressional support for peace, stability, and orderly change are essential in other tense regions, as well.

In Southern Africa we are trying to help bring about a peaceful transformation to majority rule which will avoid growing bloodshed between white and black and deeper intervention by the Soviet Union and Cuba.

Together with our European allies, Canada, and African states directly concerned, we are making progress toward the independence and majority rule of Namibia—a step that would have a positive impact on the evolution of events in Rhodesia and elsewhere in Southern Africa. We are heartened by the support of the African leaders who have worked with us in efforts to resolve the Namibian and Rhodesian issues.

Congressional repeal of the Byrd Amendment was essential in enhancing our credibility in the effort to avoid a gathering war and further Soviet and Cuban gains in Southern Africa. We will consult closely with the Congress during the coming months, as we seek the most constructive role we can play. It will be increasingly important to maintain our position of impartiality among the parties so we can help them resolve their differences should they choose the path of peace.

LATIN AMERICA

In our own Hemisphere, we can point with pride to the cooperative spirit which enabled us to change, in mutually beneficial ways, the basis of our relations with Panama. Senate approval of the two Panama Canal treaties last year has improved the quality of our historic relationship not only with Panama itself but with our friends in every part of Latin America. By that act, our country helped demonstrate its ability both to protect major security interests and to deal with smaller nations with dignity and mutual respect. Congressional action to pass the necessary implementing legislation for these treaties before the October 1 deadline will ensure that the Canal is efficiently operated during the transition to a new partnership with Panama.

The treaties and implementing legislation, like our efforts to help the people of Nicaragua find an enduring democratic solution to the current crisis there, are important to the future stability of Central America as a whole and the strengthening of our new and mature relationship with the nations of all Latin America.

THE INTERNATIONAL ECONOMY

In our daily lives, we are constantly reminded of the importance of a healthy world economy to the strength of our own. We see this in the wages of our workers who produce goods for export, in the choice of goods for our consumers, in the price of energy.

We must work closely with other countries to ensure that the world economy can steadily develop through noninflationary growth, while together we manage the use of its resources and protect our environment.

The focus for much of this effort during the past year was the Bonn Economic Summit. We worked out a strategy of cooperation with our partners to improve the world economic situation: within the framework of those Summit decisions, West Germany and Japan have taken measures to stimulate their economies while we are giving top priority to fighting inflation. Our actions, along with those taken by other Summit participants, are leading to a convergence of economic policies that will strengthen the global economy.

We have strengthened the dollar by working out arrangements with other countries to counter speculative disorder in currency markets. Since I announced my dollar stabilization measures last November, we stopped the dollar's decline in value against other currencies and have actually increased the dollar's value by around 10 percent against several major currencies. Moreover, we have announced a multifaceted program to increase U.S. exports, which will benefit American farmers and workers, while further strengthening the position of the dollar.

We are now close to new agreements with our trading partners to establish a fairer, better operating and more open framework for world trade.

The American people have a vital stake in Congressional approval of these agreements. Ten million American jobs depend on our exports. Every third acre of our farmland produces for sales abroad. Two-thirds of our imports are essential raw materials or goods we cannot readily produce.

At a time of difficult strains in our own economy, there is always an impulse to abandon our commitment to an open world trading system. But the costs of such a course to the American people would be enormous. Each American family would pay more for what it buys and would have less choice in the goods available. Inflation would be fueled. Jobs would be jeopardized, for protectionism against our trading partners breeds protectionism by them against us.

I am convinced that our economy can adapt to changing patterns of world trade in ways that protect the future of our workers. We can compete effectively in the world economy. The new trade agreements give us the opportunity to do so.

Our programs of economic development assistance abroad are also an investment in our own future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West on a broad range of issues.

I therefore urge Congressional approval of the funding we propose for our bilateral assistance programs and our participation in the work of the multilateral development banks and UN agencies.

My proposal to establish a Foundation of International Technological Cooperation reflects our recognition that scientists in many developing nations are ready to work in collaboration with our technological institutions to solve the great problems of health, nutrition, productivity and other aspects of economic development.

Key commodity agreements can also help us deal with the legitimate needs and interests of the developing countries. Senate ratification of the International Sugar Agreement, which we signed last year, along with price support legislation will stabilize prices for that important commodity. We have pledged a contribution to the International Tin Agreement, and we will conduct negotiations on a rubber accord.

Efforts to build a stronger international economy are directed not simply at managing economic relationships among nations, but at improving the lives of individual people around the world. For it is the lives of individuals which define the success or failure of our foreign policies.

REASSERTING AMERICA'S VALUES

America's future is best secured in a world founded on decency, justice and compassion.

The effort to make human rights a central component of our foreign policy comes from our deepest sense of ourselves as a humane and freedom-loving people. We do not make our standards the precondition for every relationship we have with other countries; yet human rights can never be far from the focus of our thinking or we violate our own best values.

In the year just passed, some have quarrelled with the timing or the tactics of our emphasis on human rights abroad. Others have pointed to our own imperfect record on human rights at home. Yet few can dispute an important fact of this experience: our concern for human rights has met with great resonance in the world at large. The very term has entered the language and become imbued with an everyday familiarity that was simply unknown little more than two years ago.

We believe our efforts have contributed to a global awakening:

thousands of political prisoners have been freed;

in several countries, torture of prisoners has been significantly reduced or eliminated and trials are more often open to the public;

open advocacy of human rights has occurred in nations where the concept was heretofore forbidden;

international organizations such as the UN and the OAS now have vigorous human rights commissions for the investigation and airing of human rights violations and the Commission on security and Cooperation in Europe has helped to make human rights an institutionalized part of the international agenda on both sides of the Atlantic;

in a number of key nations around the world, democratic institutions are being strengthened as democratic values are reasserted.

Americans can be proud of the leading role their government has played in advancing this process. I now ask the Congress to take action in 1979 which will further strengthen our human rights record. I have signed four important human rights treaties, including the Convention on Racial Discrimination, the International UN Covenants on Economic and Social Rights, and on Political and Civil Rights, and the Inter-American Convention on Human Rights. Senate ratification of these treaties will firmly align our Nation with the growing forces for rule of law and human dignity in this world. Similarly, I call upon the Senate finally to ratify the Genocide Convention. The United States is one of the very few countries which have not yet ratified this convention; this anomaly should be corrected at the earliest possible moment in this Congress.

I am also proud of the efforts we have undertake this past year to alleviate the plight of refugees from the far corners of the world, particularly those fleeing the troubled Indochinese peninsula. We have done a great deal to reduce suffering among these desperate people and to provide many of them with a possibility of a new home and a new start.

We will continue to do our part and to encourage others to increase their financial assistance and opportunities for resettlement. I hope to cooperate closely with this Congress in the passage of new legislation which will allow us to focus U.S. assistance more efficiently in working toward the solution of this global, human problem.

Our challenges reflect a single fact: the pressure of accelerating change in our century. We need not fear this phenomenon; indeed, we should welcome it. Change has not been merely a challenge in American history; to a very real degree, it has been our Nation's charter. We have not prospered and grown for more than two hundred years by worshipping the status quo. In building our Nation and confronting the many tasks which history has assigned us, we have found change to be our natural element.

We should approach the task of building a new Foundation for a world of change with the confidence of a Nation whose strengths are unmatched. Our military forces are strong and growing stronger. Our technological and industrial capacities are unsurpassed. Our allies are strong and reliable. Our way of life, and what we stand for as a Nation, continue to have magnetic international appeal.

I do not pretend that change comes without cost. I do not pretend that it comes without pain. Neither the visionary men of the 18th Century who founded our Republic, nor the citizens of conscience who opposed slavery in the 19th, nor the men and women of the 20th who led us successfully through two world wars looked upon change as easy. They did, however, look upon it as inevitable.

So it was in the beginning of our country, so it has been through all the stages of our history. The future has always brought Americans to a higher level of national achievement as long as we were willing to invest the time and the energy and the imagination toward shaping that future ourselves.

As we begin a new year, I repledge my Administration to time, energy, and imagination essential to build a new Foundation for a world of peace, prosperity and human justice. Together, America's Congress, its people, and its President cannot only master the many challenges of change, but make them a part of our Nation's purpose in the world. In so doing, we can bring America closer to that "more perfect union" of Jefferson's dream in a wider and more secure global community congenial to our values, interests and ideals.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

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96th Congress, 1st Session - - - - - - - - - - House Document No. 96-45

RELATIONS WITH TAIWAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A DRAFT OF PROPOSED LEGISLATION TO PROMOTE THE FOREIGN POLICY OF THE UNITED STATES THROUGH THE MAINTENANCE OF COMMERCIAL, CULTURAL AND OTHER RELATIONS WITH THE PEOPLE ON TAIWAN ON AN UNOFFICIAL BASIS, AND FOR OTHER PURPOSES

JANUARY 29, 1979.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE
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To the Congress of the United States:

The United States of America has recognized the Government of the People's Republic of China as the sole legal government of China and is establishing diplomatic relations with that government. The Joint Communique issued by the United States and the People's Republic of China was the culmination of a long process begun by President Nixon and continued by President Ford and me.

I have also announced that, in the future, the American people will maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations. In furtherance of that policy, and pending enactment of legislation on the subject, I have directed all departments and agencies to continue unofficially to conduct programs, transactions and other relations with Taiwan.

To authorize legally the permanent implementation of that policy, I am today transmitting to the Congress a bill "to promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes."

This bill will confirm the continued eligibility of the people on Taiwan for participation in programs and activities that under United States law are to be carried out with foreign governments; provide for the carrying out of such programs and activities on an unofficial basis through the American Institute in Taiwan, a non-profit corporation, and the corresponding instrumentality being established by the people on Taiwan; and establish funding, staffing and administrative relationships of the Institute. It also contains other authorizations and provisions relating to the foregoing matters.

I am confident the Congress shares my view that it is in the national interest that these unofficial relations between the American people and the people on Taiwan be maintained. It is highly desirable that this legislation be enacted as promptly as possible. I look forward to working with the Congress on this important project.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1979.*

A BILL, To promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SECTION 101. No requirement for maintenance of diplomatic relations with the United States, or for recognition of a government by the United States, as a condition of eligibility for participation in programs, transactions or other relations authorized by or pursuant to United States law shall apply with respect to the people on Taiwan.

SEC. 102. Whenever any law, regulation or order of the United States refers or relates to a foreign country, nation, state, government or similar entity, such terms shall include, and such law, regulation or order shall apply with respect to, the people on Taiwan.

SEC. 103. Whenever authorized or required by or pursuant to United States law to conduct or carry out programs, transactions or other relations with respect to a foreign country, nation, state, government or similar entity, the President or any department or agency of the United States Government is authorized to conduct and carry out such programs, transactions and other relations with respect to the people on Taiwan, in accordance with applicable laws of the United States.

SEC. 104. Programs, transactions and other relations conducted or carried out by the President or any department or agency of the United States Government with respect to the people on Taiwan shall, as the President may direct, be conducted and carried out by or through the American Institute in Taiwan, a nonprofit corporation incorporated under the laws of the District of Columbia (hereinafter "the Institute").

SEC. 105. Whenever the President or any department or agency of the United States Government is authorized or required by or pursuant to United States law to enter into, perform, enforce, or have in force an agreement or arrangement relative to the people on Taiwan, such agreement or arrangement shall be entered into, or performed and enforced, as the President may direct, by or through the Institute.

SEC. 106. Whenever the President or any department or agency of the United States Government is authorized or required by or pursuant to United States law to render or provide to, or to receive or accept from, the people on Taiwan any performance, communication, assurance, udertaking or other action, such action shall, as the President may direct, be rendered or provided to, or received or accepted from, an instrumentality established by the people on Taiwan.

SEC. 107. Whenever the application of a rule of law of the United States depends upon foreign law, or compliance with foreign law, the law applied by the people on Taiwan shall be considered foreign law for that purpose.

TITLE II

SEC. 201. Any department or agency of the United States Government is authorized to sell, loan or lease property, including interests therein, to, and to perform administrative and technical support functions and services for the operations of, the Institute upon such terms and conditions as the President may direct. Reimbursements to departments and agencies under this section shall be credited to the current applicable appropriation of the department or agency concerned.

SEC. 202. Any department or agency of the United States Government is authorized to acquire and accept services from the Institute upon such terms and conditions as the President may direct, without regard to the laws and regulations normally applicable to the acquisition of services by such department or agency.

SEC. 203. Any department or agency of the United States Government employing alien personnel in Taiwan is authorized to transfer such personnel, with accrued allowances, benefits and rights, to the Institute without a break in service for purposes of retirement and other benefits, including continued participation in any system established by law or regulation for the retirement of employees, under which such personnel were covered prior to the transfer to the Institute: *Provided*, That employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the system's fund or depository.

SEC. 204. (a) Under such terms and conditions as the President may direct, any department or agency of the United States Government is authorized to separate from Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute.

(b) An officer or employee separated under subsection (a) of this section shall be entitled upon termination of such employment with the Institute to reemployment or reinstatement with that department or agency or a successor agency in an appropriate position with attendant rights, privileges and benefits which the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may prescribe.

(c) An officer or employee entitled to reemployment or reinstatement rights under subsection (b) of this section shall, while continuously employed by the Institute with no break in continuity of service, continue to participate in any benefit program in which such officer or employee was covered prior to employment by the Institute, including programs for compensation for job-related death, injury or illness; for health and life insurance; for annual, sick and other statutory leave; and for retirement under any system established by law or regulation: *Provided*, That employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, must be currently deposited in the program's or system's fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in service or retirement from the service for the purposes of any employee or survivor benefits acquired by reason of service with a department or agency of the United States Government.

(d) Any employee of a department or agency of the United States Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this title for the period of such service.

Sec. 205. The Institute shall be treated as a tax exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954, and shall not be an agency or instrumentality of the United States. Employees of the Institute shall not be employees of the United States and, in representing the Institute, shall be exempt from section 207 of title 18, United States Code. The salaries and allowances paid to employees of the Institute shall be treated in the same way for tax purposes, under sections 911, 912 and 913 of the Internal Revenue Code of 1954, as salaries and equivalent allowances paid by departments and agencies of the United States Government.

TITLE III

Sec. 301. In addition to funds otherwise available for the purposes of this Act, there are authorized to be appropriated to the Secretary of State from time to time such funds as may be necessary to carry out such purposes. Such funds are authorized to remain available until expended.

Sec. 302. The Secretary of State is authorized to use funds made available to carry out this Act to further the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis. The Secretary may provide such funds to the Institute for expenses directly related to the purposes of this Act, including—

(1) Payment of salaries and benefits to Institute employees;

(2) Acquisition and maintenance of buildings and facilities necessary to the conduct of Institute business;

(3) Maintenance of adequate security for Institute employees and facilities; and

(4) Such other expenses as may be necessary for the effective functioning of the Institute.

Sec. 303. Any department or agency of the United States Government making funds available to the Institute in accordance with this Act shall make arrangements with the Institute for the Comptroller General of the United States to have access to the books and records of the Institute and the opportunity to audit the operations of the Institute.

Sec. 304. The programs, transactions and other relations carried out by the President or any department or agency of the United States Government with respect to the people on Taiwan since January 1, 1979, are approved and confirmed.

Sec. 305. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act.

SEC. 306. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act.

Section by Section Analysis of the Proposed Act To Promote the Foreign Policy of the United States Through the Maintenance of Commercial, Cultural and Other Relations With the People on Taiwan on an Unofficial Basis, and for Other Purposes

I. INTRODUCTION

The legislation (hereinafter "the Bill") is being proposed as the result of the recognition by the United States of the People's Republic of China as the sole legal government of China and the establishment of diplomatic relations between the United States and the People's Republic of China. Its purpose is to facilitate continuation of commercial, cultural and other relations between the American people and the people on Taiwan on an unofficial basis.

The Bill clarifies the application of laws of the United States to the people on Taiwan in light of the changed diplomatic situation, and provides for the continued conduct of programs and transactions with the people of Taiwan. It also contains a number of provisions on administrative, financial and related subjects which will facilitate this new non-governmental relationship with the people on Taiwan.

The term "people on Taiwan," as used in the Bill, reflects the non-existence of a government to government relationship, and encompasses both the authorities and the inhabitants on the islands of Taiwan and the Pescadores.

II. PROVISIONS OF THE BILL

Section 101

This section provides that legal requirements for the maintenance of diplomatic relations with the United States or recognition of a foreign government by the United States will not be a bar to eligibility of the people on Taiwan for participation in programs, transactions or other relations under U.S. law. This will avoid questions under provisions of laws such as section 620(t) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(t)), which refers explicitly to severance of diplomatic relations. It is also intended to satisfy requirements for diplomatic relations with or recognition by the United States which might be implied by terms such as "friendly country" contained in various statutes.

Section 102

This section specifies that laws, regulations and orders which refer or relate to "foreign countries," or use similar terms, shall continue to include and apply to the people on Taiwan. The President has directed the heads of all departments and agencies to construe such laws as continuing to apply to the people on Taiwan. This directive has facilitated maintenance of unofficial relations pending action by the Congress. This section is intended to confirm continued eligibility of the people on Taiwan under such important legislation as the Arms Export Control Act, Atomic Energy Act of 1954, the Export-Import Bank Act, the Foreign Assistance Act of 1961, the Mutual Educational and Cultural Exchange Act of 1961 and the Trade Act of 1974.

Section 103

This section expressly confirms the authority of the President and departments and agencies to carry out programs, transactions and other relations with the people on Taiwan under laws which provide for such programs, transactions and relations with respect to foreign countries.

Section 104

This section provides that programs, transactions and relations with respect to the people on Taiwan will be conducted by or through the American Institute in Taiwan, in the manner and to the extent directed by the President. This provision implements the President's statement of December 15, 1978 that the American people and the people on Taiwan "will maintain commercial, cultural and other relations without official government representation. . . ." The American Institute in Taiwan is a nonprofit corporation organized under the laws of the District of Columbia, which has been established for this purpose.

Section 105

This section provides for the performance and enforcement of existing agreements, and the making of new agreements, with the people on Taiwan by or through the Institute, to satisfy authorizations or requirements for agreements or arrangements with the people on Taiwan. If, for example, an agreement with a "foreign country" is a condition of eligibility for participation in a program, with respect to the people on Taiwan such a condition will be satisfied by an agreement entered into or performed through the Institute. This section applies not only to new agreements, but also to previous agreements, which remain in force unless terminated.

Section 106

This section provides for dealing with the people on Taiwan through an instrumentality acting on their behalf. It makes clear that provisions for dealing with a "foreign government" will be satisfied with respect to the people on Taiwan by dealing with that instrumentality. Section 104 and 105 and this section provide for the conduct of nongovernmental relations through the Institute and the counterpart instrumentality of the people on Taiwan.

Section 107

This section provides that when the application of United States law depends upon foreign law, the law applied by the people on Taiwan shall be looked to for that purpose.

Section 201

This section authorizes departments and agencies to provide support for the Institute's internal operations through transfers of property and the performance of functions and services. This will provide access by the Institute to existing federal resources in order to reduce costs and increase the efficiency of operations. It is expected that such support usually will be provided on a reimbursable basis.

Section 202

This section authorizes departments and agencies to acquire and accept services from the Institute. Although the initial arrangements with the Institute are on a conventional contractual basis, this section authorizes the President to disregard normally applicable laws and regulations, such as limitations in procurement regulations, in order to permit the development of appropriate arrangements in these unique circumstances.

Section 203

This section authorizes the transfer to the Institute of alien employees of the U.S. Government and preserves their benefits under the local compensation plan applicable in Taiwan under section 444 of the Foreign Service Act of 1946, as amended (22 U.S.C. 889). It is expected that the Institute will adopt this plan for its alien employees. This section also authorizes the continued participation in U.S. Government retirement systems by those transferred alien employees who have heretofore been covered by such systems, subject to continued payment of contributions and deductions to the appropriate fund.

Section 204

This section, consisting of five subsections, provides authority for the separation of federal employees for employment with the Institute, preservation of their federal benefits, and reemployment rights in the federal service. It is contemplated that such separated federal personnel will make up the staff of the Institute.

Subsection (a) provides that a federal officer or employee who accepts employment with the Institute may be separated from his or her agency.

Subsection (b) provides that any officer or employee so separated is entitled, upon termination of employment with the institute, to be reemployed or reinstated in the federal service. Normally, reemployment for an employee in the classified service will be to the position from which the employee was separated. However, the President is authorized to determine the appropriateness of the position for reemployment. It is anticipated that, especially in personnel systems based on the rank in person concept, reemployment could be in a higher class.

Subsection (c) provides for continuity of federal benefits during service with the Institute, including compensation for job related death, illness or injury; health and life insurance, leave, and retirement. Contributions, where required, must be paid in order to preserve these benefits. This section also provides that death or retirement by a federal employee separated under subsection (a) while employed by the Institute shall be considered a death in or retirement from the federal service for purposes of benefit entitlement.

Subsection (d) authorizes the extension of the benefits of Title II of the Bill to federal employees serving with the Institute on leave without pay prior to the Bill's enactment.

Section 205

This section addresses several questions relating to the status of the Institute and its employees. It specifies that the Institute shall be exempt from federal taxation and shall not be an agency or instrumentality of the United States. With respect to the Institute's employees, this section provides that they shall not be employees of the United States, and that they shall be exempt from the statutory prohibition against dealing with their former agencies in representing the Institute. It also provides that the salaries and allowances of Institute employees shall be taxable in the same way as salaries and allowances of federal employees.

Section 301

This section authorizes appropriations to the Secretary of State of funds necessary to carry out the bill. It is contemplated that the funds necessary for the operation and support of the Institute on behalf of all departments and agencies will be consolidated into a single account. However, this section preserves the continued ability of departments and agencies to utilize the Institute for the performance of functions involving the use of funds appropriated to the department or agency concerned. Funds appropriated under this section could be made available until expended.

Section 302

This section authorizes the Secretary of State to use the funds made available under the bill to further the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis. In particular, it authorizes the Secretary to provide these funds to the Institute for this purpose. The use of appropriated funds by the Institute will be governed by an appropriate contractual arrangement with the Secretary of State, which will contain limitations on expenses, such as limitations on the compensation of Institute employees. The Institute will be required under this arrangement to adhere generally to the limitations applicable to Federal employees.

Section 303

This section requires that departments and agencies assure access by the Comptroller General to the Institute's books and records, and that they provide the Comptroller General the opportunity to audit the Institute's operations.

Section 304

This section approves and confirms the U.S. Government actions taken since January 1, 1979, and prior to the Bill's enactment with respect to the people on Taiwan.

Section 305

This section authorizes the President to prescribe appropriate rules and regulations to carry out the Bill's purposes.

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96th Congress, 1st Session - - - - - - House Document No. 96-46

RESCISSIONS AND DEFERRALS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

TEN PROPOSED RESCISSIONS OF BUDGET AUTHORITY, PURSUANT TO SECTION 1012(a) OF PUBLIC LAW 93-344, SIX NEW DEFERRALS OF BUDGET AUTHORITY, PURSUANT TO SECTION 1013(a) OF THE ACT, AND SIX REVISIONS TO PREVIOUSLY-TRANSMITTED DEFERRALS, PURSUANT TO SECTION 1014(c) OF THE ACT

JANUARY 31, 1979.—Message and accompanying papers referred to the Committee on Appropriations and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE
39-012 WASHINGTON : 1979

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To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten proposals to rescind a total of $914.6 million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling $1,169.8 million and six revisions to previously transmitted deferrals increasing the amount deferred by $28.8 million.

The rescission proposals affect programs in the Departments of Energy, Health, Education, and Welfare, Housing and Urban Development, the Interior, and several independent agencies.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Defense, Energy, the Interior, Justice, Labor, Transportation, the Treasury, and the Tennessee Valley Authority.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

CONTENTS OF SPECIAL MESSAGE

[In thousands of dollars]

	Item	Budget authority
Rescission No.:	Department of Energy:	
R79-2	Fossil energy construction	50,000
	Department of Health, Education and Welfare:	
	National Institutes of Health:	
R79-3	Buildings and facilities	37,000
	Health Resources Administration:	
R79-4	Health Resources	167,893
	Office of Education:	
R79-5	Special projects and training	22,365
	Department of Housing and Urban Development:	
R79-6	Subsidized housing programs	600,000
	New Communities Development Corporation:	
R79-7	New community assistance grants	8,167
	Department of the Interior:	
	Bureau of Mines:	
R79-8	Helium fund	3,127
	National Aeronautics and Space Administration:	
R79-9	Research and program management	2,400
	Foreign Claims Settlement Commission:	
R79-10	Payment of Vietnam prisoner of war claims	9,000
	Small Business Administration:	
R79-11	Salaries and expenses	14,665
	Subtotal, rescission proposals	914,617
	Department of Agriculture:	
Deferral No.:	Forest Service:	
D79-3A	Expenses, brush disposal	37,501
	Department of Commerce:	
	National Oceanic and Atmospheric Administration:	
D79-47	Operations, research and facilities	500
D79-7A	Fisheries loan fund	5,637
	Department of Defense—Civil:	
D79-9A	Wildlife conservation, military reservations	588
	Department of Energy:	
	Energy Programs:	
D79-48	Uranium enrichment-operating expenses	63,000
	Department of the Interior:	
	Bureau of Land Management:	
D79-46A	Oregon and California grant lands	14,712
	Department of Justice:	
	Community Relations Services:	
D79-49	Salaries and expenses	572
	Department of Labor:	
	Employment and Training Administration:	
D79-50	Employment and training assistance	122,133
	Department of Transportation:	
	Federal Aviation Administration:	
D79-20A	Facilities and equipment	311,435
	Urban Mass Transportation Administration:	
D79-51	Urban mass transportation fund	968,616
	Department of the Treasury:	
	Office of the Secretary:	
D79-40A	Antirecession financial assistance fund	[1] 8
	Tennessee Valley Authority:	
D79-52	Payment to the Tennessee Valley Authority fund	15,000
	Subtotal, deferrals	1,539,702
	Total, rescission proposals and deferrals	2,454,319

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[1] Outlays only.

SUMMARY OF SPECIAL MESSAGES FOR FISCAL YEAR 1979

[In thousands of dollars]

	Rescissions	Deferrals
5th special message:		
New items	914, 617	1, 169, 821
Changes to amounts previously submitted		28, 777
Effect of the 5th special message	914, 617	1, 198, 598
Previous special messages	75	2, 866, 522
Total amount proposed in special messages	[1]914, 692	[2,3]4, 065, 120

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[1] In 11 rescission proposals.

[2] In 52 deferrals.

[3] This amount represents budget authority except for $3,974,000 in 2 Treasury Department deferrals of outlays only (D79-40A and D79-25A).

Rescission Proposal No. R79-2

Proposed Rescission of Budget Authority

Report Pursuant to Section 1012 of Public Law 93-344

Department of Energy

FOSSIL ENERGY CONSTRUCTION—89X0214

New budget authority (Public Law 95-465)	$99, 709, 000
Other budgetary resources	62, 351, 000
Total budgetary resources	162, 060, 000
Amount proposed for rescission	50, 000, 000

OMB identification code: 89-0214-0-1-271.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

These funds were appropriated in fiscal year 1979 and prior years for the construction of a low/medium BTU coal gasification demonstration plant. The rescission proposal results from the conclusion reached by the Administration that construction of a third coal gasification demonstration plant is not necessary given the limited market outlook for this fuel, the expected cost of the product gas, the limited technical and economic information which would be produced and the existence of adequate incentives in the private sector to construct such facilities where circumstances warrant. The two coal gasification demonstration plants which are currently supported with Federal funds are sufficient to demonstrate this technology.

ESTIMATED EFFECTS

If the rescission proposal is approved, the construction of a third coal gasification demonstration plant will not be undertaken in fiscal year 1979 or 1980. This will not adversely affect fossil energy research and development efforts which include an aggressive coal gasification program.

OUTLAY EFFECT

Estimated in millions of dollars

Comparison with President's fiscal year 1980 budget:	
1. Budget outlay estimate for fiscal year 1979	80.3
2. Outlay savings included in the budget outlay estimate	10.0
Current outlay estimates for fiscal year 1979:	
3. Without rescission	90.3
4. With rescission	80.3
5. Current outlay savings (line 3—line 4)	10.0
Outlay savings for fiscal year 1980	20.0
Outlay savings for fiscal year 1981	10.0
Outlay savings for fiscal year 1982	10.0

TITLE II—RELATED AGENCIES

DEPARTMENT OF ENERGY

FOSSIL ENERGY CONSTRUCTION

Of the funds appropriated under this head in Public Law 95–465, $50,000,000 are rescinded.

Rescission Proposal No. R79–3

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of Public Law 93–344

Department of Health, Education, and Welfare—National Institutes of Health

BUILDINGS AND FACILITIES—75X0838

New budget authority (Public Law 95–480)	$67,950,000
Other budgetary resources	26,998,655
Total budgetary resources	94,948,655
Amount proposed for rescission	37,000,000

OMB identification code: 75–0838–0–1–552.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

The Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979 (P.L. 95–480) appropriated $37 million to construct a four-story child health research building on the grounds of the National Institutes of Health (NIH) in Bethesda, Maryland. There is no evidence that a new intramural facility would materially improve the quality of research in this area. Research that would be done in this facility is presently being conducted at other NIH locations. Although these are located in various facilities across the NIH campus. There is no noticeable negative impact on the research effort being conducted. Therefore, these funds are proposed for rescission.

The Administration has proposed and Congress has enacted increases in funding for clinical health research grants and contracts in recognition of the priority placed on such research. Resource increases for child health can be utilized more effectively for research projects than facility construction.

ESTIMATED EFFECT

If this proposal is approved, the new child health research facility will not be built. This will have no negative impact on the quality of the research conducted in this area.

OUTLAY EFFECT

Estimated in millions of dollars

Comparison with President's fiscal year 1980 budget:	
1. Budget outlay estimated for 1979	65.8
2. Outlay savings included in the budget outlay estimate	4.0
Current outlay Estimates for fiscal year 1979:	
3. Without rescission	69.8
4. With rescission	65.8
5. Current outlay savings (line 3—line 4)	4.0
Outlay savings for fiscal year 1980	12.0
Outlay savings for fiscal year 1981	19.0
Outlay savings for fiscal year 1982	2.0

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

NATIONAL INSTITUTES OF HEALTH

BUILDINGS AND FACILITIES

Of the funds appropriated under this head in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, $37,000,000 are rescinded.

Rescission Proposal No. R79-4

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of Public Law 93-344

Department of Health, Education and Welfare—Health Resources Administration

HEALTH RESOURCES—7590712, 756/90712

New budget authority (Public Laws 95-480; 95-482; 95-355)	$759,912,000
Other budgetary resources	2,281,000
Total budgetary resources	762,193,000
Amount proposed for rescission	167,893,000

OMB identification code: 75-0712-0-1-550.

Grant program.[1]

Type of account or fund: Annual, Multiple-year (expiration date; September 30, 1979).

Legal authority (in addition to section 1012): Antideficiency Act.

Type of budget authority: Appropriation.

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[1] These funds support both grant and non-grant programs.

JUSTIFICATION

During the 1960's and 1970's, there was a major increase in the supply of health manpower, partly as a result of increased Federal institutional and student assistance to support expanded numbers of health professions students and training programs. It is estimated that the number of practitioners in the major health professions categories will increase by another 70% between 1975 and 1990. In every case, the supply increase will far exceed population growth, raising the practitioner-to-population ratios well above current levels.

The ratio of physicians to population is projected to rise from about 177 per 100,000 in 1975 to 241 per 100,000 in 1990, a 47% increase. Moreover, the number of active nurses has more than doubled since 1957 to over 1,000,000 in 1978. The outlook is also good for adequate growth in the supply of nurses during the coming decade. The current adequate supply and projected increases in the numbers of health professionals underscore the fact that special Federal subsidies are no longer required merely to increase the supply of particular categories of health professionals.

Federal support for health professions training is being redirected as part of a national health plan strategy to address the needs of the poor and underserved. The President's 1979 Budget emphasized support for service commitment scholarships rather than continued funding for institutional subsidies or non-service-related student assistance. Moreover, increased emphasis is being placed on the needs-based student assistance grant and loan programs of the Office of Education and undergraduate health professions training, e.g., nurse training.

The $167,893,000 in health professions training funds proposed for rescission in 1979 includes funding for capitation grants, nursing student and institutional assistance, health professions non-service student loans, and emergency medical training grants. These funds have been identified as unnecessary to program needs for meeting the goal of providing health services to the medically underserved. This is in keeping with the strategy further articulated in the President's 1980 Budget to terminate capitation grants and initiate a phaseout of other institutional subsidies and student assistance programs that in the past have served to increase the supply of health professionals without regard to specialty or geographic shortages. There are more efficient and effective means for addressing health manpower needs in shortage areas than the programs supported by the training funds proposed for rescission. The Administration supports numerous approaches, including service commitment scholarships and family medicine and primary care residency training grants.

ESTIMATED EFFECTS

Federal support for health professions training will continue at a level of nearly $375 million in 1979, including $77 million for service commitment scholarships. These scholarships will support health professions training in return for service in medically underserved areas. The proposed rescission of $168 million in institutional subsidies and non-service-related student assistance would not affect the goal of providing services to the medically underserved.

OUTLAY EFFECT

Estimated in millions of dollars

Comparison with President's fiscal year 1980 budget:	
1. Budget outlay estimate for fiscal year 1979	630. 4
2. Outlay savings, included in the budget outlay estimate	30. 0
Current outlay estimates for fiscal year 1979:	
3. Without rescission	660. 4
4. With rescission	630. 4
5. Current outlay savings	30. 0
Outlay savings for fiscal year 1980	109. 1
Outlay savings for fiscal year 1981	28. 8

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

Of the funds provided for "Health resources" for fiscal year 1979 in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, and in P.L. 95–482, $167,893,000 are rescinded.

Rescission Proposal No. R79–5

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of Public Law 93–344

Department of Health, Education, and Welfare—Office of Education

SPECIAL PROJECTS AND TRAINING—7590270

New budget authority (Public Law 95–480)	$134, 472, 000
Other budgetary resources	
Total budgetary resources	134, 472, 000
Amount proposed for rescission	22, 365, 000

OMB identification code: 75–0270–0–1–503.
Grant program: Yes.
Type of account or fund: Annual.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Public Law 95–207 authorized a new program of formula grants to States as an incentive for State and local education agencies to carry out comprehensive career education efforts using their own financial resources. In addition, discretionary grants were authorized to demonstrate the best career education procedures at the postsecondary level.

The Administration does not believe this career education incentive program is needed or is a Federal responsibility. There is no evidence that States need Federal intervention in order to implement career education programs using their own funds. Nine States already have laws requiring career education programs or have line items in their state budgets for career education. All of the States have career education plans. Demonstration of career education programs is a valid Federal activity and authority exists to conduct such demonstrations. The Administration is proposing to reprogram $10.1 million of the $32.5 million enacted for Career Education Incentives in 1979 to carry out career education demonstration projects under the Special Projects Act. The remaining $22.4 million is proposed for rescission. In addition, $10.1 million is being requested in FY 1980 to continue the demonstration projects under the Special Projects Act.

ESTIMATED EFFECTS

The effect of the reprogramming and rescission proposal will be to terminate the career education incentives program in FY 1979. However, career education programs would not suffer because the Administration is requesting funding under the Special Projects Act.

OUTLAY EFFECT

Estimated in millions of dollars

Comparison with President's fiscal year 1980 budget:	
1. Budget outlay estimate for fiscal year 1979	100. 1
2. Outlay savings included in the budget outlay estimate	4. 5
Current outlay estimates for fiscal year 1979:	
3. Without rescission	105. 6
4. With rescission	101. 1
5. Current outlay savings (line 3—line 4)	4. 5
Outlay savings for fiscal year 1980	7. 1
Outlay savings for fiscal year 1981	10. 8

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Education Division

OFFICE OF EDUCATION

Special Projects and Training

Of the funds appropriated under this head in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, $22,365,000 are rescinded.

Rescission Proposal No. ------

Proposed Rescission of Budget Authority

Report Pursuant to Section 1012 of Public Law 93-344

Department of Housing and Urban Development

SUBSIDIZED HOUSING PROGRAMS (STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES), 86X0165

New budget authority	None
Other budgetary resources	$600,000,000
Total budgetary resources	600, 000, 000
Amount proposed for rescission	600, 000, 000

OMB identification code: 86-0139-0-1-604.
Grant program: Yes.
Type of account or fund: No year.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Section 802 of the Housing and Community Development Act of 1974 (Public Law 93-383) authorized interest subsidy grants to and Federal guarantees of obligations issued by State housing finance and development agencies. The Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1976 (Public Law 94-116) provided $15,000,000 in contract authority over a 40-year period (totalling $600,000,000). These funds were made available to State housing agencies for interest subsidies on obligations issued to finance Section 8 lower-income housing assistance projects.

Since enactment of the legislation, State agencies have been able to obtain financing under more favorable terms because of market conditions. The agencies have shown little or no additional interest in this program. Of the eleven contracts that were written, all have been cancelled and no funds have been utilized. Therefore, rescission of this unneeded contract authority is proposed.

ESTIMATED EFFECTS

This rescission proposal will terminate this unused grant program.

OUTLAY EFFECT

There is no outlay effect from this proposal because the funds would not be used if made available.

Rescission Proposal No. ------

Department of Housing and Urban Development

HOUSING PROGRAMS

State Housing Finance and Development Agencies

Appropriations and contract authority provided for in the Housing and Urban Development—Independent Agencies Appropriation Act, 1976, for interest grant payments pursuant to Section 802(c) (2) of the Housing and Community Development Act of 1974 (88 Stat. 722) are rescinded.

Proposed Rescission of Budget Authority

Report Pursuant to Section 1012 of Public Law 93-344

Department of Housing and Urban Development—New Community Development Corporation

NEW COMMUNITY ASSISTANT GRANTS—86X0149

New budget authority	None
Other budgetary resources	$8,167,000
Total budgetary resources	8,167,000
Amount proposed for rescission	8,167,000

OMB identification code: 86-0149-0-1-451.
Grant program: Yes.
Type of account or fund: No year.
Legal authority (in addition to section 1012: Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Section 718 of the Housing and Urban Development Act of 1970, as amended, authorizes grants for distribution to developers to supplement public facility projects in existing new communities. These supplemental grants are no longer necessary for the communities which remain in the program. The communities are eligible for assistance under the Community Development Block Grant program as authorized by Title I of the Housing and Community Development Act of 1974, as amended. This program is more flexible than the supplemental grants program. Consequently, very few communities have used the supplemental grants in the past few years. In fact there has been no new net activity in this program since September 30, 1976.

ESTIMATED EFFECTS

This rescission will have no effect on either the budget program of the New Community Development Corporation or the communities themselves due to the adequate availability of necessary funds under the block grant program for which new community developers are eligible recipients.

Because there has been no new activity over the past few years, it is unlikely that there would be any use of the program if the funds continued to be available.

OUTLAY EFFECT

There is no outlay effect resulting from this rescission proposal.

Department of Housing and Urban Development

NEW COMMUNITY ASSISTANCE GRANTS

Any amounts not administratively committed from appropriations provided for grants, as authorized by section 412 of the Housing and Urban Development Act of 1968, as amended (42 U.S.C. 3911) and sections 718 and 720 of the Housing and Urban Development Act of 1970 (42 U.S.C. 4519, 45 U.S.C. 4521), are rescinded.

Rescission Proposal No. R79-8

Proposed Rescission of Budget Authority

Report Pursuant to Section 1012 of Public Law 93-344

Department of the Interior—Bureau of Mines

HELIUM FUND—14X4053

New budget authority	None
Other budgetary resources	$20, 369, 000
Total budgetary resources	20, 369, 000
Amount proposed for rescission	3, 127, 000

OMB identification code: 14–4053–0–3–306.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Other: Borrowing authority.

JUSTIFICATION

Since its discovery in 1893 until the early 1960's, helium was produced and sold only by the Federal Government. Demand for helium for traditional uses, such as welding and leak detection, grew over the years but was greatly expanded in the late 1950's with NASA and Defense efforts which used helium in rocket programs. Projection of such demand led to the belief that helium concentrated in producing natural gas wells should be extracted and stored for future Government needs. This led to amendments of the Helium Act (50 U.S.C. 167) which authorized the Department of the Interior to enter into helium purchase contracts with natural gas producers and to stockpile the acquired helium. To this end, the Department was provided with contract and borrowing authority for helium contract purchases.

Since 1971 significant changes in helium demand have occurred. NASA and DOD efforts have either been cut back or new methods not requiring helium have been adopted. Government purchases of helium were therefore terminated in the early 1970's and the available contract authority has either lapsed or been rescinded since that time. However, a residual amount of $3,127,000 of borrowing authority still remains available to the helium program.

Since contracts by which the Government would purchase and store helium at public expense are not justifiable in view of past experience and the estimated future availability of and demand for helium, this excess amount of borrowing authority is proposed for rescission.

ESTIMATED EFFECTS

There are no programmatic or budgetary effects resulting from this proposal.

OUTLAY EFFECT

No effect on outlays results from this rescission proposal.

Department of the Interior

BUREAU OF MINES

Helium Fund

Of the borrowing authority provided in the Department of the Interior and related agencies Appropriation Act, 1962, $3,127,000 are rescinded.

Rescission Proposal No. R79-9

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of Public Law 93-344

National Aeronautics and Space Administration

RESEARCH AND PROGRAM MANAGEMENT—8090103

New budget authority (Public Law 95-392)	$910, 500, 000
Other budgetary resources	33, 300, 000
Total budgetary resources	943, 800, 000
Amount proposed for rescission	2, 400, 000

OMB identification code: 80-0103-0-1-999.
Grant program: No.
Type of account or fund: Annual.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

The Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1979 (Public Law 95-392) provided funds for the National Aeronautics and Space Administration (NASA) to purchase an administrative aircraft for which existing aircraft may be exchanged in part payment. NASA estimates the cost to the appropriations in fical year 1979 would be approximately $2,400,000. This rescission is proposed since procurement of a new administrative aircraft at this time is: (a) not essential to carry out the objectives of the Nation's aeronautics and space programs, and (b) is not consistent with the President's desire to reduce governmental operating and administrative travel costs. Existing agency administrative aircraft and commercial airlines can adequately meet the travel requirements of NASA management.

ESTIMATED EFFECTS

This proposal will not significantly impact the travel needs of the agency. Existing administrative aircraft and commercial airlines can adequately meet the travel requirements of NASA.

OUTLAY EFFECT

Estimated in millions of dollars

Compared with President's fiscal year 1980 Budget:	
1. Budget outlay estimate for fiscal year 1979	936. 5
2. Outlay savings, if any, included in the budget outlay estimate	2. 4
Current outlay estimates for fiscal year 1979:	
3. Without rescission	938. 9
4. With rescission	936. 5
5. Current outlay savings (line 3—line 4)	2. 4
Outlay savings for fiscal year 1980	

TITLE II—INDEPENDENT AGENCIES

National Aeronautics and Space Administration

RESEARCH AND PROGRAM MANAGEMENT

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1979, $2,400,000 are rescinded.

Rescission Proposal No. R79-10

Proposed Rescission of Budget Authority

Report Pursuant to Section 1012 of Public Law 93-344

Foreign Claims Settlement Commission

PAYMENT OF VIETNAM PRISONER OF WAR CLAIMS [1]—79X0104

New budget authority	None
Other budgetary resources	$10, 044, 000
Total budgetary resources	10, 044, 000
Amount proposed for rescission [2]	9, 000, 000

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[1] This account is the subject of a deferral (D79-29).

[2] This amount was included in a deferral (D79-29) transmitted to the Congress on Oct. 2, 1978.

OMB identification code: 79-0104-0-1-152.
Type of account or fund: No year.
Legal authority (in addition to section 1012): Antideficiency Act
Type of budget authority: Appropriation.

JUSTIFICATION

Public Law 91-289, approved June 24, 1970, authorizes the Foreign Claims Settlement Commission to adjudicate and certify for payment the claims of American military and civilian prisoners of war held during the Vietnam conflict, or their survivors. Before claims can be certified for payment by the Commission, the appropriate military services must determine the individual's POW status and, in the case of claims by the survivors of missing persons where evidence of captivity exists, it must also determine the date of death. Most of these determinations have been completed.

Appropriations totalling $16,565,000 were provided in 1971, 1972, and 1973 to remain available until expended for the payment of Vietnam POW claims. Of the $11,059,000 remaining available in fiscal year 1979, $1,015,000 was transferred to the Commission's salaries and expenses account pursuant to the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act of 1979 (Public Law 95-431), $150,000 was apportioned for the payment of any claims that may result from status determinations of the military services, and $9,000,000 is proposed for rescission. The remaining balance of $894,000 is considered adequate to pay any additional claims and cover any awards that may be made during the three years a claimant has to contest an adjudicated claim. That balance remains deferred.

ESTIMATED EFFECTS

There are no programmatic or budgetary effects resulting from this rescission proposal.

OUTLAY EFFECT

There is no outlay effect of this rescission proposal because the funds could not be used if made available.

CHAPTER X

RELATED AGENCIES

FOREIGN CLAIMS SETTLEMENT COMMISSION

Payment of Vietnam and U.S.S. *Pueblo* Prisoner of War Claims

Of the funds appropriated under this head in Public Law 93–50, $9,000,000 are rescinded.

Rescission Proposal No. R79–11

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of Public Law 93–344

Small Business Administration

SALARIES AND EXPENSES—7390100

New budget authority (Public Law. 95–431)	$200,000,000
Other budgetary resources	
Total budgetary resources	200,000,000
Amount proposed for rescission	14,665,000

OMB identification code: 73–0100–0–1–376.
Grant program: No.
Type of account or fund: Annual.
Legal authority (in addition to section 1012): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

The Departments of State, Justice, Commerce, the Judiciary' and Related Agencies Appropriation Act 1979 (P.L. 95–431) provided $200,000,000 for salaries and operational expenses of the Small Business Administration (SBA). This amount was $34,900,000 in excess of the President's request of $165,100,000. This proposal is to rescind $14,665,000 of that additional funding in those areas where funds could not be spent in an efficient and effective manner.

Funds are proposed for rescission which would permit a significant expansion of the small business development center (SBDC) program beyond its current pilot stage. The SBA is now undertaking a comprehensive evaluation of its SBDC pilot program. Until results of that evaluation are available, it would be premature to provide additional funds for this program.

Funding for increased economic research and other special studies are also proposed for rescission. Before conducting more sophisticated economic policy studies, the SBA needs to concentrate on establishing a more accurate, credible data base on the performance of the small business sector in the U.S. economy. When more reliable economic and statistical data on small business is available, the SBA will be able to determine more exactly what research studies should be conducted and in what order of priority.

The rescission proposal also includes reductions in management assistance contracts and other procurement support activities. Both areas will receive significant funding increases in fiscal year 1979, and the amounts to be rescinded would, if retained, place severe strains on the agency's capability to spend funds effectively.

Finally, this proposal includes reductions in administrative expenses for nonessential travel and printing activities in support of the Administration's anti-inflation efforts to hold down Federal spending.

ESTIMATED EFFECTS

This recission will reduce funding for certain activities in SBA's Salaries and Expenses budget account, but will not significantly impact the agency's essential programs.

OUTLAY EFFECT

Estimated in millions of dollars [1]

Comparison with the President's fiscal year 1980 budget:	
1. Budget outlay estimate for fiscal year 1979	185.0
2. Outlay savings included in the budget outlay estimate	14.7
Current outlay estimates for fiscal year 1979:	
3. Without rescission	199.6
4. With rescission	185.0
5. Current outlay savings (line 3—line 4)	14.7
Outlay savings for fiscal year 1980	----

[1] Detail does not add to total due to rounding.

TITLE V—RELATED AGENCIES

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

Of the funds appropriated under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, $14,665,000 are rescinded.

SUPPLEMENTARY REPORT

REPORT PURSUANT TO SECTION 1014(c) OF PUBLIC LAW 93–344

This report updates Deferral No. D79–3 transmitted to the Congress on October 2, 1978, and printed as House Document No. 95–392.

This revision to a deferral for the Department of Agriculture's Expenses, brush disposal account increases the amount previously reported as deferred from $32,224,790 to $37,501,072. This increase of $5,276,282 is attributable to an adjustment in unobligated balances brought forward on October 1, 1978. The adjustment was necessary because the actual amount of unobligated balances brought forward was $5,276,282 higher than had been orginally estimated.

Deferral No: D79-3A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-344

Department of Agriculture—Forest Service

EXPENSES, BRUSH DISPOSAL [1]—12X5206

New budget authority (16 U.S.C. 490)	$36,902,000
Other budgetary resources	[2] 45,111,072
Total budgetary resources	[2] 82,013,072
Amount to be deferred: Entire year	[2] 37,501,072

[1] This account was the subject of a similar deferral in fiscal year 1978.
[2] Revised from previous report.

OMB identification code: 12-9922-0-2-302.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Purchasers of National Forest timber deposit the estimated cost to the Forest Service of the disposing of brush and other debris resulting from their cutting operations pursuant to 16 USC 490. The deposits becoming available in the current year are estimated and the related disposal operations are planned for the following year. Efficient program planning and accomplishment is facilitated by operating a stable program well within the funds available in any one year for this purpose. An apportionment of $44.5 million has has been requested by the Forest Service for this program in the current fiscal year compared with $37.8 million in 1978 and $39.5 million in 1977. The current fiscal year reserve of $37.5 million was established pursuant to the Antideficiency Act (31 USC 665) as a reserve for contingencies compared with reserves of $34.5 million in 1978 and $22.3 million in 1977.

Disposal operations related to deposits made during certain periods of the year cannot be initiated until weather conditions permit. Thus, seasonal factors frequently require deferring the use of deposits until the following fiscal year.

ESTIMATED EFFECT

There are no programmatic or budgetary effects that result from this deferral action. Rather, the reserve merely reflects the seasonal nature of program funding requirements.

OUTLAY EFFECT

There is no outlay effect of this deferral because the funds could not be used if made available.

Deferral No. D79-47

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law [illegible]3-344

Department of Commerce—National Oceanic and Atmospheric Administration (NOAA)

OPERATIONS, RESEARCH AND FACILITIES [1]—13X1450

New budget authority (Public Law 95-431)	$660, 650, 000
Other budgetary resources	88, 946, 563
Total budgetary resources	749, 596, 563
Amount to be deferred: Part of year	500, 000

[1] This account was the subject of a deferral in fiscal year 1978.

OMB identification code: 13-1450-0-1-306.
Grant program:. No.
Type of account or fund: No year.
Legal authority (in addition to section 1013); Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Funds were provided in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, for the expansion of the National Weather Service's (NWS) community preparedness program. The additional funding and personnel are to be transferred to the new Federal Emergency Management Administration (FEMA) pursuant to Reorganization Plan No. 3 of 1978. FEMA is expected to begin operation in April, 1979. In order to allow FEMA to hire its own personnel and utilize the appropriated funds in concert with its overall mission, $500,000 is deferred for part of the year.

This action is taken in accordance with the Antideficiency Act (31 U.S.C. 665).

ESTIMATED EFFECTS

This deferral will have the effect of delaying for a few months the application of these funds to the functions of the Community Preparedness Program. It will also assure continued funding of this function with the advent of FEMA. Funds not utilized in FY 1979 will be applied to meeting the cost of the program in FY 1980.

OUTLAY EFFECT

This deferral will have the effect of shifting an estimated $400,000 in outlays from FY 1979 to FY 1980.

SUPPLEMENTARY REPORT

REPORT PURSUANT TO SECTION 1019(c) OF PUBLIC LAW 93-344

This report updates Deferral No. D79-7 transmitted to the Congress on October 2, 1978, and printed as House Document No. 95-392.

This revision to a deferral for the Commerce Department's Fisheries loan fund increases the amount previously reported as deferred from $5,428,795 to $5,637,189. This increase of $208,394 is attributable to an adjustment in unobligated balances brought forward on October 1, 1978. The adjustment was necessary because the actual amount of unobligated balances brought forward was $208,394 higher than had been originally estimated.

Deferral No. D79-7A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-344

Department of Commerce—National Oceanic and Atmospheric Administration

FISHERIES LOAN FUND [1]—137/04317

New budget authority	None
Other budgetary resources	[2] $6,237,189
Total budgetary resources	[2] 6,237,189
Amount to be deferred: entire year	[2] 5,637,189

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[1] This account was the subject of a similar deferral in fiscal year 1978.

[2] Revised from previous report.

OMB identification code: 13-4317-0-3-376.

Grant program: No.

Type of account or fund: Multiple year (expiration date, September 30, 1980).

Legal authority (in addition to section 1013): Antideficiency Act.

Type of budget authority: Other: 16 U.S.C. 742c.

JUSTIFICATION

This fund was established pursuant to the Fish and Wildlife Act of 1956, as amended (16 U.S.C. 742c). Its purpose is to provide funds for loans to segments of the fishing industry unable to obtain commercial loans on reasonable terms for financing the cost of purchasing, constructing, equipping, maintaining, repairing and operating new or used fishing vessles or gear.

In 1965, the Act was amended to require the National Oceanic and Atmospheric Administration (NOAA) to pay interest to the Treasury on the difference between the available funds and the cash balance at the end of the year. The current program covers the 1979 interest liability of $580,000 and provides $20,000 for the care and preservation of collateral throughout the year. Of the total budgetary resources in the fund, only these amounts are presently planned for expenditure in 1979 to support the estimated program requirements.

On February 20, 1973, the Administrator of NOAA declared a moratorium on accepting further loan applications effective March 1, 1973, due to a level of loans outstanding and loan applications pending which exceeded the Fund's capital. Additionally, the General Accounting Office concluded in a report issued February 22, 1973, that loans made from the Fisheries Loan Fund (1) allowed the continued use of inefficient vessels rather than improving vessels and equipment for more efficient and profitable fishing, and (2) maintained or added vessels to segments of the fishing industry which were considered to have excess, but not necessarily efficient harvesting capacity. GAO recommended that the Secretary of Commerce develop criteria for evaluating vessel efficiency and priorities for directing these program funds.

The Department has determined that legislative clarification of the Act is needed to establish criteria for directing the Fund. Draft legislation is being prepared. This reserve is in accordance with the Antideficiency Act (31 U.S.C. 665). The funds could not be used effectively until there is clarification of legislative intent.

ESTIMATED EFFECTS

Under the existing laws and regulations the proposed deferral has no effect on the Fisheries Loan Fund activities as planned for fiscal year 1979.

OUTLAY EFFECT

No outlay effect results from this deferral action.

Supplementary Report

REPORT PURSUANT TO SECTION 1014(C) OF PUBLIC LAW 93-344

This report updates Deferral No. D79-9 transmitted to the Congress on October 2, 1978, and printed as House Document No. 95-392.

This revision to a deferral of Department of Defense wildlife conservation funds increases the amount previously reported as deferred from $457,975 to $587,790. This increase of $129,815 is attributable to an adjustment in unobligated balances brought forward on October 1, 1978. The adjustment was necessary because the actual amount of unobligated balances brought forward was $129,815 higher than had been originally estimated.

Deferral No. D79-9A

Deferral of Budget Authority

Report Pursuant to Section 1013 of Public Law 93-344

Agency Department of Defense—Civil

(SEE COVERAGE SECTION BELOW)

New budget authority (16 U.S.C. 670f(a))	$898, 000
Other budgetary resources	[1] 587, 790
Total budgetary resources	[1] 1, 485, 790
Amount to be deferred: Entire year	[1] 587, 790

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[1] Revised from previous report.

OMB identification code: See Coverage section below.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Appropriation.

Coverage [1] [2]

Wildlife conservation, Army—21X1500—21-1500-0-1-303	$442, 248
Wildlife conservation, Navy—17X1501—17-1501-0-1-303	103, 376
Wildlife conservation, Air Force—57X1502—57-1502-0-1-303	42, 166
Total amount deferred	587, 790

[1] These accounts were the subject of a similar deferral during fiscal year 1978.
[2] Revised from previous report.

JUSTIFICATION

These are permanent appropriations. The budgetary resources consist of anticipated receipts and unobligated balances generated from hunting and fishing fees collected on military reservations, pursuant to 16 U.S.C. 670. They may be used only in accordance with the purpose of the law—to carry out a program of natural resource conservation.

Since apportionments have been made for all known program requirements, prudent financial management requires the deferral of the balance of the funds, which could not be used effectively during the current year even if made available for obligation. These funds are being deferred under the provisions of the Antideficiency Act (31 U.S.C. 665). Full apportionment is not requested by the Services because (1) installations may be accumulating funds over a period of time to fund a major project, and (2) there is a seasonal relationship between the collection of fees and their subsequent expenditure. Most of the fees are collected during the winter and spring months, while most of the program work is performed during the summer and fall months. This necessitates that funds collected in a prior year be deferred in order to be available to finance the program during the summer and fall months. Additional amounts will be apportioned if program requirements are identified.

ESTIMATED EFFECTS

These deferrals have no programmatic or budgetary effect because the funds could not be obligated if made available.

OUTLAY EFFECT

There is no outlay effect of this deferral because the funds could not be used if made available.

Deferral No. D79-48

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-344

Department of Energy

URANIUM ENRICHMENT—OPERATING EXPENSES [1]—89X0226

(Energy Science and Defense Activities—Operating Expenses—89X0210)

New budget authority (Public Law 95-482)	$4,818,431,000
Other budgetary resources	2,141,289,000
Total budgetary resources	6,959,720,000
Amount to be deferred: Entire year	63,000,000

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[1] These funds were appropriated to Energy Science and Defense Activities—Operating Expenses (89X0210). The President's Budget for 1980 displays the funds in Uranium Enrichment—Operating Expenses (89X0226).

OMB identification code: 89-0226-0-1-271.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

These funds were provided in FY 1979 and prior years to enable the Department of Energy to furnish uranium enrichment services to domestic and foreign utilities. The current anticipated demand for these services has shifted from 1979 to 1980 which would result in decreased production in 1979 with a corresponding production increase in 1980. The deferral would permit this shift to occur and would more correctly correlate production with demand, eliminating unnecessary additions to stockpile in FY 1979.

This deferral action is taken in accordance with the Antideficiency Act (31 U.S.C. 665), which authorizes the President to establish reserves to effect savings whenever savings are made possible through changes in requirements or greater efficiency of operations.

ESTIMATED EFFECT

Presently, enriched uranium production is scheduled to be lower in 1980 than in 1979. Shifting of production into 1980 thus tends to equalize continuing production levels, which will actually decrease the cost of individual plant operation. In addition, present estimates for production in 1980 are so low that the Department of Energy would be subject to penalties in 1980 for not using power which has already been ordered to run the plants. This deferral would allow production to increase sufficiently to forestall any such penalties.

OUTLAY EFFECT

The net effect on outlays will be to shift $63 million in outlays from 1979 into 1980.

SUPPLEMENTARY REPORT

REPORT PURSUANT TO SECTION 1014(C) OF PUBLIC LAW 93-344

This report updates Deferral No. D79-46 transmitted to the Congress on December 12, 1978.

This revision to a deferral for the Interior Department's Oregon and California Grant Lands account increases the amount previously reported as deferred from $12,811,000 to $14,712,058. This increase of $1,901,058 is attributable to an unobligated balance brought forward on October 1, 1978, that was $3,221,058 higher than anticipated when the deferral was first reported. This increase is partially offset by an allocation of $1,320,000 to the Forest Service.

Deferral No. D79-46A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-334

Department of the Interior—Bureau of Land Management

OREGON AND CALIFORNIA GRANT LANDS[1]—14X5136

New budget authority (Public Law 94-465)	[2] $55, 000, 000
Other budgetary resources	[3] 21, 151, 058
Total budgetary resources	76, 151, 058
Amount to be deferred: Entire year	[3] 14, 712, 058

[1] This account was the subject of a similar deferral during fiscal year 1978.

[2] Estimated. The appropriation is for "an amount equivalent to 25 percent of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands."

[3] Revised from previous report.

OMB identification code: 14-5136-0-2-302.
Grant program: No.
Type of account or fund: No year.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Other: *Appropriated* receipts.

JUSTIFICATION

The Interior and Related Agencies Appropriation Act of 1979 includes an indefinite no-year appropriation equivalent to 25 percent of timber sale receipts from revested Oregon and California Railroad grant lands. The appropriated receipts provide for management, development, and protection of Federal Oregon and California grant lands including the construction and maintenance of roads. Because the appropriation is based on receipts collected in the same fiscal period and the receipts are based on the timber harvested, the total amount which will be available for obligation can only be estimated. Not only may actual receipts vary from estimates, but receipts for the last two months of the fiscal period are not known in time to make programmatic adjustments to offset a possible shortfall between estimated and actual amounts. Deferral is planned to cushion fluctuating receipt levels. This deferral is taken pursuant to the Antideficiency Act (31 U.S.C. 665).

Receipts for FY 1978 were $172,579,472 with an actual unobligated balance of $21,151,058 carried forward in FY 1979 of which $1,320,000 will be allocated to the Forest Service. New budget authority available in 1979 under terms of the appropriation is estimated to equal $55,000,000. Total resources for this program equal $76,151,058. The FY 1979 obligation program is $60,119,000 resulting in a deferral of $14,712,058.

ESTIMATED EFFECTS

There will be no programmatic impact from this deferral in FY 1979.

OUTLAY EFFECT

There is no outlay effect resulting from this deferral.

Deferral No. D79-49

Deferral of Budget Authority

Report Pursuant to Section 1013 of Public Law 93-344

Department of Justice—Community Relations Service

SALARIES AND EXPENSES—1590500

New budget authority (Public Law 95-431)	$5, 353, 000
Other budgetary resources	
Total budgetary resources	5, 353, 000
Amount to be deferred: Part of year	572, 000

OMB identification code: 15-0500-0-1-752.
Grant program: No.
Type of account or fund: Annual.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Appropriation.

JUSTIFICATION

Funds totalling $572,000 of annual budget authority provided to the Community Relations Service (CRS) salaries and expenses account are being deferred pending Congressional approval and enactment of a transfer of these funds to the Drug Enforcement Administration in the Department of Justice.

These funds are proposed for transfer because of a reduction in CRS overhead and a reduction in the CRS staff due to implementation of a new management system that will, among other improvements, more efficiently target the Service toward cases that hold the largest potential for CRS impact.

ESTIMATED EFFECT

Funds not used by the CRS because of overhead reduction and management improvements are proposed for transfer to the Drug Enforcement Administration to defray the costs of increased pay in FY 1979.

OUTLAY EFFECT

This deferral action will have the effect of reducing outlays in FY 1979 for CRS by $572 thousand, offset by an increase of the same amount in outlays for DEA.

Deferral No. D79-50

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-344

Department of Labor—Employment and Training Administration

EMPLOYMENT AND TRAINING ASSISTANCE—1690174

New budget authority (Public Law 95-482)	$740, 200, 000
Other budgetary resources	120, 600, 000
Total budgetary resources	860, 800, 000
Amount to be deferred: Entire year	122, 133, 000

OMB identification code: 16-0174-0-1-504.

Grant program: Yes.

Type of account or fund: Multiple year (expiration date, September 30, 1980).[1]

Legal authority (in addition to section 1013): Antideficiency Act.

Type of budget authority: Appropriation.

JUSTIFICATION

This deferral would delay until 1980 obligation of $122,133,000 which is available for the 1979 Summer Youth Program, established in Part C. Title IV of the Comprehensive Employment and Training Act (CETA). P.L. 95-482, the continuing resolution for 1979, provided funding for 1979 at the 1978 funding level of 1.165 million part-time summer jobs, and section 112(c) of P.L. 95-524 (CETA reauthorization) extends the availability of all 1979 CETA funds which are unobligated at the end of 1979 through fiscal year 1980.

The Administration has determined that the 1979 program should be funded at 1 million jobs, approximately the level of service actually provided in 1978. This judgment is based on the potential for efficient use of funds and on the benefits of the summer program relative to other youth training and employment programs. The excess summer funds will be carried over into 1980 and used to help support the 1980 summer youth program.

ESTIMATED EFFECT

This deferral will maintain the 1979 program at the 1 million summer job level achieved in 1978.

OUTLAY EFFECT

This deferral will reduce outlays in 1979 by $112,362,000.

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[1] While the current account is an annual account, unobligated balances have been reappropriated for availability in 1980.

SUPPLEMENTARY REPORT

REPORT PURSUANT TO SECTION 1014(C) OF PUBLIC LAW 93–344

This report updates Deferral No. D79–20 transmitted to the Congress on October 2, 1978, and printed as House Document No. 95–392.

This revision to a deferral for facilities and equipment (Airport and airway trust fund) in the Federal Aviation Administration increases the amount previously reported as deferred from $290,176,286 to $311,434,629. This increase of $21,258,343 is attributable to an adjustment in unobligated balances brought forward on October 1, 1978. The adjustment was necessary because the actual amount of unobligated balances brought forward was $21,258,343 higher than had been originally estimated.

Deferral No. D79–20A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93–344

Department of Transportation—Federal Aviation Administration

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND), FAA [1]—69X8107, 697/98107, 698/08107, 699/18107

New budget authority (Public Law 95–335)	$282, 297, 000
Other budgetary resources	[2] 335, 755, 629
Total budgetary resources	[2] 618, 052, 629
Amount to be deferred: Entire year	[2] 311, 434, 629

[1] This account was the subject of a similar deferral during fiscal year 1978.
[2] Revised from previous report.

OMB identification code: 69–8107–0–7–402.

Grant program: No.

Type of account or fund: Multiple year; 697/98107, September 30, 1979,[1] 698/08107, September 30, 1980, 699/18107, September 30, 1981, (expiration date); No year.

Legal authority (in addition to section 1013): Antideficiency Act.

Type of budget authority: Appropriation.

JUSTIFICATION [2]

Funds from this account are used to procure specific Congressionally approved facilities and equipment for the expansion and modernization of the national air way system. Projects financed from this account include construction of buildings and purchase of new equipment for new or improved air traffic control towers, automation of the en route airway control system and expansion and improvement in the navigational and landing aid systems. These funds were appropriated in the Department of Transportation and Related Agencies Appropriation Acts of 1979 and prior years. The estimated total cost for each project is included in the budget submission and appropriation for the year in which it is requested. Because of the lengthy procurement and construction time for interrelated new facilities and complex equipment systems, it is not possible to obligate all funds necessary to complete each project in the year funds are appropriated. Therefore, it is necessary to apportion funds so that sufficient resources will be available in future periods to complete these projects. This deferral action is consistent with the Congressional intent to provide multi-year funding for the total costs of these projects and is taken under provisions of the Antideficiency Act (31 U.S.C. 665) which requires that funds be apportioned so as to achieve their most effective and economical use.

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[1] None of these funds is deferred.
[2] Revised from previous report.

ESTIMATED EFFECTS

This deferral action is consistent with normal operation for this program. The amount deferred could not be economically used if made available in fiscal year 1979 because of the planned multi-year procurement, construction, and installation cycle.

OUTLAY EFFECT

There is no outlay effect of this deferral because the funds could not be used if made available.

Deferral No. D79-51

Deferral of Budget Authority

Report Pursuant to Section 1013 of Public Law 93-344

Department of Transportation—Urban Mass Transportation Administration

URBAN MASS TRANSPORTATION FUND (INTERSTATE TRANSFERS)—69X1119

New budget authority (Public Law 95-335)	$2, 361, 600, 000
Other budgetary resources	2, 129, 516, 204
Total budgetary resources	4, 491, 116, 204
Amount to be deferred: Entire year	968, 616, 204

OMB identification code: 69-1119-0-1-401.
Grant program: Yes.
Type of account or fund: No year.
Legal authority (in addition to section 1013): Antideficiency Act.
Type of budget authority: Appropriation; contract authority.

JUSTIFICATION

The Interstate transfer grant program was authorized by the Federal Aid Highway Act of 1973, as amended. It provides Federal financing to allow States and localities to withdraw a planned interstate highway segment, and substitute locally planned and programmed public transportation needs. These funds are available through the Department of Transportation and Related Agencies Appropriations Acts of 1979 and prior years, and the Federal-Aid Highway Acts of 1973 and 1976.

A program level of $700 million is planned for Interstate transfer grants in FY 1979 which is consistent with the level proposed for this activity in the public transportation legislative proposal which the Administration submitted to the 95th Congress. This program level is in the general range approved by the Congress in appropriations acts in recent years for Interstate transfer grants.

This deferral is proposed to maintain budgetary control in the same way that obligation limitations in appropriations acts have been used in prior years. No limitation was provided in the 1979 appropriation act because the then pending surface transportation bill included a provision that prior year contract authority would no longer be available for obligation after September 30, 1978. As enacted, however, P.L. 95-599 continues the use of contract authority as well as appropriations. The amount deferred is not expected to be used in FY 1979. This deferral action is taken in accordance with the Antideficiency Act (31 U.S.C. 665).

ESTIMATED EFFECTS

This deferral action will have no programmatic effects. A total of $700 million in obligations is expected in 1979 which is consistent with the budget plan.

OUTLAY EFFECT

There is no outlay effect of this deferral because the funds are not expected to be used if made available.

Supplementary Report

REPORT PURSUANT TO SECTION 1014 (C) OF PUBLIC LAW 93-344

This report updates Deferral No. D79-40 transmitted to the Congress on December 7, 1978.

This revision of a deferral for the Antirecession financial assistance fund in the Office of the Secretary of the Treasury increases the amount previously reported as deferred from $5,000 to $8,234. This increase of $3,234 results from allocation adjustments of newly recognized governments.

Deferral No. D79-40A

Deferral of Budget Authority

Report Pursuant to Section 1013 of Public Law 93-344

Department of the Treasury—Office of the Secretary

ANTIRECESSION FINANCIAL ASSISTANCE FUND—208/90108 [1] [2]

New budget authority	None
Other budgetary resources	$2, 278, 233
Total budgetary resources	2, 278, 233
Amount to be deferred: Part of year [3]	[4] 8, 234

[1] This account was the subject of a similar deferral during fiscal year 1978.

[2] This account is the subject of another deferral, D79-23A.

[3] Outlays only.

[4] Revised from previous report.

OMB identification code: 20-0108-0-1-852.
Grant program: Yes.

Type of account or fund: Multiple year (expiration date, September 30, 1979).

Legal authority (in addition to section 1013): Antideficiency Act. Other: Public Law 94-369 and Public Law 95-30.

Type of budget authority: Appropriation.

JUSTIFICATION

The Antirecession Financial Assistance Fund provides for federal economic assistance to State and local governments to help prevent those governments from taking budget related actions which are injurious to national economic health. Scheduled payments are made on a quarterly basis. This deferral represents payments which have been withheld from various governments for reasons of noncompliance with the requirements of the Public Works Employment Act of 1976 (P.L. 94-369).

ESTIMATED EFFECTS

The release of these funds is contingent upon the various government's compliance with the law by submitting required forms and reports.

OUTLAYS EFFECTS

There is no outlay effect of this deferral. The funds will be made available this fiscal year.

Deferral No. D79-52

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of Public Law 93-344

Tennessee Valley Authority

PAYMENT TO THE TENNESSEE VALLEY AUTHORITY FUND—64X4110

New budget authority (Public Law 95-482)	$154,531,000
Other budgetary resources	89,823,000
Total budgetary resources	244,354,000
Amount to be deferred: Entire year	15,000,000

OMB identification code: 64-4110-0-3-999.

Grant program: No.

Type of account or fund: No year.

Legal authority (in addition to section 1013): Other: Public Law 95-482; TVA Act of 1933.

Type of budget authority: Appropriation.

JUSTIFICATION

Several endangered mussel species have been identified as inhabiting the Duck River in the vicinity of the Columbia Dam. Several snail species which have been proposed for listing as threatened or endangered are also found in this area. Completion of the Columbia Reservoir as presently designed would impound a portion of the Duck River that contains at least one endangered species of mussel, (the birdwing pearly mussel), and two of the species of snails which have been proposed for listing as threatened (Dutton's river and the geniculate river snails).

The Fish and Wildlife Service has issued a biological opinion that the completion of the Columbia Dam project as presently planned will jeopardize the continued existence of the three endangered mussel species—the birdwing pearly mussel and two others. Accordingly, in light of the U.S. Supreme Court's June 15, 1978, decision in the *Tellico* case, (*Tennessee Valley Authority* v. *Hill*, 46 U.S.L.W. 4673 (U.S. June 15, 1978)), it would be unlawful to complete the project as originally designed absent delisting of the affected species, a modification to the Fish and Wildlife Service's biological opinion, or an exemption under the 1978 Endangered Species Act amendments.

In addition, completion of the project as planned is dependent upon issuance by the Corps of Engineers of a permit for placement of fill material under section 404 of the Clean Water Act. The section 404 permit cannot be issued without a certification issued by the State of Tennessee under section 401 of the Clean Water Act that discharges authorized by the permit will not cause violation of State water quality standards. The State's certification is being held up by an administrative appeal filed by environmental groups which oppose the project. In addition, EPA's regional staff has stated that EPA will disapprove, pursuant to section 404(b) of the Clean Water Act, the Corps' issuance of a section 404 permit on endangered species grounds should the Corps ultimately propose to do so.

As a result of these legal impediments to completion of the project, TVA must curtail certain construction activities at Columbia until a solution to the problem is found. TVA is studying alternative approaches to the project that are economical and in accordance with applicable law. The study will be completed in fiscal year 1979 and should indicate the future course of the project. Therefore, $15,000,000 is deferred pending completion of this study.

ESTIMATED EFFECT

The construction of various portions of the Columbia Dam will be delayed pending resolution of the legal and environmental problems discussed above. It is expected that this delay will result in a $15 million unobligated balance at the end of fiscal year 1979 in the Tennessee Valley Authority Fund. This balance would then be available for obligation in subsequent fiscal years.

OUTLAY EFFECT

There is no outlay effect from this deferral.

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96th Congress, 1st Session - - - - - - - - - House Document No. 96-47

PROGRESS IN CYPRUS NEGOTIATIONS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON PROGRESS TOWARD CONCLUSION OF A NEGOTIATED SOLUTION OF THE CYPRUS PROBLEM, PURSUANT TO SECTION 620C(c) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED (92 STAT. 739)

JANUARY 31, 1979.—Referred to the Committee on International Relations and ordered to be printed

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LETTER OF SUBMITTAL

THE WHITE HOUSE,
Washington, January 29, 1979.

The Honorable THOMAS P. O'NEILL, Jr.,
Speaker of the U.S. House of Representatives,
Washington, D.C.

TO SPEAKER TIP O'NEILL: In accordance with the provisions of Public Law 95–384, I am submitting the following report on progress made during the past 60 days toward the conclusion of a negotiated solution of the Cyprus problem.

During this reporting period, further intensive efforts have been made to bring the two Cypriot communities back to the negotiating table for serious and sustained talks under the auspices of Secretary General Waldheim. The substantive suggestions that the U.S., the U.K. and Canada made available to the two sides and to the United Nations on November 10 appeared to have stimulated the negotiating process and were recognized as constructive by significant (although not all) elements in Cyprus, Turkey and Greece. In the context of recent developments—especially the new atmosphere created by the lifting of the arms embargo on Turkey, the U.S.-Canadian-U.K. suggestions, the United Nations debates, and a growing international consensus for a negotiated settlement—Secretary General Waldheim submitted to the two Cypriot parties a draft United Nations formula for the resumption of negotiations. As of the date of this report, it appeared that both the Greek and Turkish Cypriots were seriously and sympathetically considering the Secretary General's proposal.

The Government of Turkey has taken a constructive attitude towards these efforts to bring about a resumption of the intercommunal negotiations. Prime Minister Ecevit has publicly affirmed that the Turkish Cypriots are prepared to return to the table, and he has indicated that they could accept the suggestions of November 10 as an aid to negotiation if the Greek Cypriots were prepared to do likewise. During a meeting with Deputy Secretary of State Christopher in Ankara on January 11, Mr. Ecevit emphasized his strong interest in seeing a resumption of the intercommunal talks and expressed the hope that some way for doing this could soon be found.

At the time of my last report, the United Nations Security Council was meeting at the request of the Government of Cyprus to consider the Cyprus issue. On November 27, the Council adopted a resolution by consensus that called upon the two Cypriot parties to cooperate in the implementation of Security Council resolutions on Cyprus "within a specific time-frame" and urged that intercommunal negotiations be resumed. The Secretary-General was asked to report on both these aspects by May 30, 1979. The United States fully supports the goals of this resolution.

IV

This Administration warmly welcomes the initiatives that Secretary-General Waldheim has taken and is continuing to take to bring about sustained and productive negotiations on Cyprus. We have been encouraged by recent developments, and hope very much that a resumption of the talks will prove possible in the near future. The U.S.-Canadian-U.K. suggestions of November 10 have served a useful purpose in generating some of this forward movement and in stimulating fresh thinking on the substance of the problem, and it is our expectation that they will be actively considered in the negotiations.

A copy of Secretary-General Waldheim's comprehensive report of December 1 to the Security Council on the United Nations operation in Cyprus is attached.

Sincerely,

JIMMY CARTER.

UNITED NATIONS SECURITY COUNCIL

REPORT BY THE SECRETARY-GENERAL ON THE UNITED NATIONS OPERATION IN CYPRUS

(For the Period June 1, 1978 to November 30, 1978)

CONTENTS

Introduction.
- I. Composition and Deployment of UNFICYP.
- II. UNFICYP Operations from June 1, 1978 to November 30, 1978:
  - A. Mandate and concept of operations.
  - B. Liaison and cooperation.
  - C. Freedom of movement of UNFICYP.
  - D. Maintenance of the cease-fire.
  - E. Maintenance of the status quo.
  - F. Mines.
  - G. Humanitarian and normalization functions in the north.
  - H. Turkish Cypriots in the south.
- III. Law and order—UNCIVPOL.
- IV. Humanitarian and economic affairs.
- V. Good offices of the Secretary-General.
- VI. Financial aspects.
- VII. Observations.
- MAP. Deployment of UNFICYP, November 1978.

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Introduction

1. The present report on the United Nations operation in Cyprus covers developments from 1 June 1978 to 30 November 1978 and brings up to date the record of activities of the United Nations Peace-Keeping Force in Cyprus (UNFICYP) pursuant to the mandate laid down in Security Council resolution 186 (1964) of 4 March 1964 and subsequent resolutions of the Council concerning Cyprus, including, most recently, resolution 430 (1978) of 16 June 1978.

2. The Security Council, in its resolution 430 (1978), requested me to continue the mission of good offices, entrusted to me in paragraph 6 of resolution 367 (1975) to keep the Security Council informed of the progress made and to submit a report on the implementation of that resolution 430 (1978) by 30 November 1978. Developments on this subject are summarized in section V of this report.

I. Composition and Deployment of UNFICYP

3. The table below shows the strength of UNFICYP as of 30 November 1978:

	Total
Military:	
Austria:	
HQ UNFICYP	5
Infantry battalion UNAB 14	301
Military police company	6
Total	312
Canada:	
HQ UNFICYP	8
Infantry battalion—8th Canadian Hussars (Princess Louise's)	468
Signals squadron	19
Medical centre	7
Military police company	13
Total	515
Denmark:	
HQ UNFICYP	5
Infantry battalion UN XXX	342
Military police company	13
Total	360
Finland:	
HQ UNFICYP	6
Military police company	5
Total	11
Ireland:	
HQ UNFICYP (total)	6

Sweden:	
HQ UNFICYP	8
Infantry battalion UN 70C	406
Military police company	13
Total	427
United Kingdom:	
HQ UNFICYP	24
HQ BRITCON	5
Amoured reconnaissance squadron—B Squadron 3d Royal Tank Regiment	119
Infantry battalion—3d Battalion The Light Infantry	342
HQ support regiment	40
Engineer detachment	8
Signals squadron	53
Army aviation flight	19
Transport squadron	101
Medical centre	6
Ordnance detachment	15
Workshop	39
Military police company	8
B Flight 84 helicopter squadron, RAF	38
Total	817
Total military personnel	2, 448
Civilian police:	
Australia	20
Sweden	14
Total civilian police	34
Total UNFICYP	2, 482

4. During the period under review, the Government of Austria withdrew the 20 additional engineers who were temporarily employed to carry out some urgent repairs at the Austrian contingent base camp in Famagusta (see S/12723, para. 6).

5. The Secretary-General is keeping the strength of the Force under constant review, bearing in mind the manning requirements for carrying out the operational commitment of UNFICYP under its mandate and financial limitations.

6. The current detailed deployment of UNFICYP is shown on the map attached to this report.

7. Mr. Reinaldo Galindo-Pohl continues to be my Special Representative in Cyprus, and the Force remains under the command of Major-General James Joseph Quinn.

II. UNFICYP OPERATIONS FROM 1 JUNE 1978 TO 30 NOVEMBER 1978

A. MANDATE AND CONCEPT OF OPERATIONS

8. The function of the United Nations Peace-keeping Force in Cyprus was originally defined by the Security Council in its resolution 186 (1964) of 4 March 1964 in the following terms:

> . . . in the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of

fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions.

That mandate, which was conceived in the context of the confrontation between the Greek Cypriot and Turkish Cypriot communities, and between the Cyprus National Guard and the Turkish Cypriot fighters, has been repeatedly reaffirmed by the Council, most recently in its resolution 430 (1978) of 16 June 1978. In connexion with the events that have occurred since 15 July 1974, the Council adopted a number of resolutions, some of which have affected the functioning of UNFICYP and, in some cases, have required UNFICYP to perform certain additional or modified functions.[1]

9. In supervising the cease-fire lines of the National Guard and the Turkish forces and the area between those lines, UNFICYP continues to use its best efforts to prevent a recurrence of fighting by persuading both parties to refrain from violations of the cease-fire by shooting, by forward movement or by construction of new defensive positions (see sect. D below). Efforts also continue to provide security for farmers, shepherds and other civilians of both communities living or working in the area between the lines, as a normalization measure and in keeping with the established practice since the closing months of 1974 (see sect. E).

10. UNFICYP continues to use its best efforts to discharge its functions with regard to the security, welfare and well-being of the Greek Cypriots living in the northern part of the island. UNFICYP access to that area remains restricted, but humanitarian work has been carried out on a reasonably satisfactory scale (see sects. C and G). There has been an increase in the transfer of Greek Cypriots from north to south since my last report (S/12723), a total of 150 having moved during the period under review. In addition, 70 Maronites have moved to the south during the same period.

11. In addition to humanitarian measures implemented directly by them, UNFICYP military and civilian police contingents have continued to support and assist the relief operations co-ordinated by the United Nations High Commissioner for Refugees (UNHCR) in co-operation with the World Food Programme (WFP).

12. The civilian police contingents of UNFICYP continue to discharge certain functions handed over to them by the International Committee of the Red Cross (ICRC) at the time of the withdrawal of its delegation from Cyprus on 30 June 1977 (see S/12342, para. 12, and S/12723, para. 11). The third ICRC temporary mission, consisting of two delegates of the Committee, visited the island in September 1978. The delegates travelled widely throughout Cyprus and conferred with officials of the Cyprus Government, the Turkish Cypriot community and UNFICYP.

13. UNFICYP has continued to visit on a regular basis Turkish Cypriots still residing in the south (see sect. H below).

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[1] These include resolutions 353 (1974) of 20 July, 354 (1974) of 23 July, 355 (1974) of 1 August, 357 (1974) of 14 August, 358 (1974) and 359 (1974) of 15 August, 360 (1974) of 16 August, 361 (1974) of 30 August, 364 (1974) and 365 (1974) of 13 December 1974, 367 (1975) of 12 March, 370 (1975) of 13 June and 383 (1975) of 13 December 1975, 391 (1976) of 15 June and 401 (1976) of 14 December 1976, 410 (1977) of 16 June, 414 (1977) of 15 September and 422 (1977) of 15 December 1977 and 430 (1978) of 16 June 1978.

B. LIAISON AND CO-OPERATION

14. UNFICYP has continued to emphasize to both sides the essential requirement of full co-operation at all levels to enable it to carry out its role effectively. Liaison between UNFICYP and both the Turkish forces and the National Guard remains satisfactory. Meetings between the Commander of UNFICYP and the Commanders of the National Guard and of the Turkish forces are arranged as required and, additionally, meetings at the Chief of Staff level are held with both sides at regular intervals. Similar meetings between UNFICYP Sector Commanders and their counterparts in the National Guard and Turkish forces continue to be held. A constructive atmosphere has prevailed at all these meetings.

C. FREEDOM OF MOVEMENT OF UNFICYP

15. UNFICYP continues to have access to Greek Cypriot habitations in the north. Officers making liaison visits, in performance of humanitarian tasks, continue to have the opportunity to speak with Greek Cypriots there in privacy.

16. UNFICYP access from its installations situated in the north to installations between the lines continues to be limited. This restriction has an adverse effect on the operational effectiveness of the Force, particularly during hours of darkness. Furthermore, it imposes administrative difficulties, including lengthy supply routes and, in some cases, expensive resupply by air, with a resultant increase in the costs of the Force.

17. As of 1 August 1978, the Turkish Cypriot civilian authorities took over from the military authorities responsibility for controlling access to the north. In October, following the entry into force of the winter schedule for access to the north, negotiations were held with the Turkish Cypriot authorities and as a result, the hours during which access routes were open were extended slightly beyond those in effect during the summer months and well beyond last winter's.

18. Access to the north has also been affected by the recent action of the Turkish Cypriot authorities denying entry to most privately owned motor vehicles that carry registration plates issued by the Cyprus Government. Discussions are under way in an effort to ease the problem of access to the north for recreational and related purposes.

D. MAINTENANCE OF THE CEASE-FIRE

19. UNFICYP surveillance over the area between the cease-fire lines is based upon an established system of observation posts which ensure observation and reporting of cease-fire violations. The total number of observation locations is 135, of which 65 are permanently manned. The remaining locations permit occasional observation over specific areas at certain times of the day or night. Standing patrols are deployed as necessary on a temporary basis until such time as a cease-fire violation ceases. In addition to survellance from fixed points, UNFICYP places emphasis on conducting frequent mobile patrols by day and night along established routes throughout the length of the area between the lines.

20. As part of its roll in regard to the maintenance of the cease-fire, UNFICYP keeps a careful daily check on all confirmed shooting incidents and movements forward. All such incidents are investigated and the results forwarded to the respective side on a daily and weekly basis. Both sides have co-operated by deploying their own liaison officers and establishing close contact with UNFICYP headquarters as and when required. During this period, UNFICYP has recorded an approximate daily average of less than one shooting incident, none of them serious.

21. Violations by forward movement have been of a temporary nature, the personnel concerned withdrawing to their cease-fire lines shortly after entering the area between the lines and, in most cases, immediately after being informed by UNFICYP of the violation. Patrols sent by the Turkish forces between Pyla and Troulli Hill have ceased (see S/12463, para. 19, and S/12723, para. 18).

22. As the cease-fire lines are now almost completely stabilized, very few encroachments by construction of new positions forward of those lines were attempted in the period under review. However, improvements to existing positions and construction of new fortifications by the National Guard on or very close to the cease-fire lines continue to be a source of concern, as such works cause increased tension.

E. MAINTENANCE OF THE STATUS QUO

23. The cease-fire lines extend to a length of about 180 kilometres across the island, from Kato Pyrgos on the north-west coast to Dherinia near the east coast, south of Famagusta. The Turkish side has a common line of approximately 45 kilometres with the British Eastern Sovereign Base Area. The total area between the lines, the width of which ranges from 20 metres at some points in Nicosia to 7 kilometres in an area south-east of the city, covers about 3 percent of the land area of the island. The UNFICYP position in the area between the lines is based on the requirement to maintain the cease-fire as established over four years of UNFICYP practice (see S/12253, para. 19).

24. Maintenance of the *status quo* in the confrontation area within urban Nicosia in particular is a matter of some concern to UNFICYP, as, owing to the proximity and irregular configuration of the lines, the slightest change can lead to increased tension or retaliatory action by the opposing side (see S/12723, para. 22).

25. In some areas different interpretations of the cease-fire lines still exist. Both sides have been provided with a trace of their respective cease-fire lines as recorded by UNFICYP. The Turkish forces have declined to review their cease-fire line with UNFICYP. Discussions with the National Guard to resolve remaining cease-fire line differences are continuing.

26. UNFICYP has endeavoured to facilitate normal farming activity, especially by providing escorts to enable farmers to work their fields and orchards in sensitive areas. Currently, Greek Cypriot and Turkish Cypriot farmers work some 115 different locations in the area between the lines.

27. Quantities of commercial commodities and other movable properties are still being taken from houses and other premises in the new town of Famagusta (Varosha) (see S/12723, para. 24). The Turkish Cypriot authorities have indicated that records are being kept and that certain properties already taken will be accounted for in the event of a political agreement.

F. MINES

28. No additional mine fields have been detected in the past year. No progress has been made in getting either side to release its mine-field records to UNFICYP.

29. A project is currently under way to improve the mine-field warning sign system to reduce further the potential danger to civilians and UNFICYP personnel.

G. HUMANITARIAN AND NORMALIZATION FUNCTIONS IN THE NORTH

30. UNFICYP continues to discharge humanitarian functions and to promote normalization of the living conditions of the Greek Cypriots remaining in the north. Since my last report, there have been limited improvements in their living conditions: temporary visits to the south for family reasons have been made possible on an *ad hoc* basis, both directly and through the good offices of UNFICYP. However, requests by Greek Cypriots returning to the island from abroad to visit their relatives in the north have not been granted. The Turkish Cypriot authorities maintain that Greek Cypriots coming from abroad and wishing to visit the Karpas area should arrive in Cyprus through ports of entry in the north.

31. The recent improvements in pension and social welfare benefits provided by the Cyprus Government have also benefited the Greek Cypriots in the north.

32. Permanent transfers have increased during the period under review, the main reason being that, for lack of secondary school facilities, Greek Cypriot children in the north have had to move south to continue their education (see para. 33 below). Efforts aimed at setting up a class corresponding to the first year of gymnasium have not materialized. All transfers continue to be monitored by UNFICYP to ensure that they have been undertaken voluntarily. The Greek Cypriot population in the north is now 1,572.

33. Two Greek Cypriot primary schools are operating in the north. Both are in the Karpas area: one in Ayia Trias and the other in Rizokarpaso. The school in Ayia Trias, which has 58 pupils, still has only one teacher. Efforts to appoint a second teacher have, so far, not been successful. In Rizokarpaso, there are five teachers and 164 pupils. Through the good offices of UNFICYP, permission was granted by the Turkish Cypriot authorities for 111 Greek Cypriot children who are attending schools in the south to spend the summer holidays in their homes in the Karpas; however, boys over 16 and girls over 18 were excluded.

34. The same opportunity was granted to Maronite children attending school in the south whose families live in the north. Furthermore, Maronite adults residing in the south visited their relatives in the north in significant numbers over the summer period. Maronites in

the north may travel to markets in the larger urban centres, such as Kyrenia and Nicosia, for business and domestic purposes. Contacts between members of the Maronite group residing on opposite sides of the cease-fire lines are frequent.

35. Medical care available to Greek Cypriots in the north is as good as that provided to Turkish Cypriots in the same area. In a few cases, Greek Cypriots have obtained permission for temporary visits to the south in order to receive medical treatment after a Turkish Cypriot medical board had certified that such treatment was not available in the north.

36. In regard to agricultural activities, there are no major complaints about freedom of movement, Greek Cypriots continuing to have access also to fields at some distance from their villages (see S/12463, para. 29, and S/12723, para. 31).

37. As indicated in my last report, there appears to be no restriction on freedom of worship in the north wherever the services of a priest are available. During the period under review, UNFICYP received complaints that three churches in Trikomo had been razed, allegedly for urban development. UNFICYP humanitarian teams, which regularly visit some 22 Greek Cypriots still living in Trikomo, have confirmed the razing of two of the churches but could not establish when it happened.

B. TURKISH CYPRIOTS IN THE SOUTH

38. UNFICYP continues to undertake the responsibility of making periodic visits to some 200 Turkish Cypriots living in the south to assess any assistance they may need and to help maintain some contact with their relatives in the north. To date, these Turkish Cypriots have given UNFICYP to understand that they are satisfied with their living conditions. A check on their dwellings was carried out during the month of September, and these were found to be equal to those of their counterparts in the Greek Cypriot community.

III. Law and Order—UNCIVPOL

39. UNCIVPOL continues to be deployed in support of military units and operates in close liaison with the Cyprus police and the Turkish Cypriot police.

40. UNCIVPOL contributes to the maintenance of law and order in the area between the lines and to the protection of the civilian population, particularly in areas where intercommunal problems exist. It assists in the control of the movement of civilians in the area between the cease-fire lines, escorts persons transferring from the north to the south, inquires into complaints of criminal activity with intercommunal content and, in the north, distributes social welfare payments to Greek Cypriots in their habitations, in addition to monitoring their welfare. UNCIVPOL also assisted the Turkish Cypriot authorities in returning to the south several Greek Cypriots who had strayed into the north.

41. UNCIVPOL continues to maintain a Missing Persons Bureau at UNFICYP headquarters. As will be recalled, agreement in principle was reached at the high-level meeting of 12 February 1977 to set up

an investigatory body for the tracing of and accounting for missing persons of both communities (S/12342, para. 32, and S/12463, para. 39). Despite intensive consultations since that time, it has still not been possible to reach agreement on the terms of reference of that body, particularly on the precise role and identity of its third member.

42. Following the adoption of General Assembly resolution 32/128 on 16 December 1977, both sides had publicly reiterated their support for such a joint body with the participation of ICRC. With regard to procedure, the Greek Cypriots took the position that in the event of disagreement between the Greek Cypriot and Turkish Cypriot members of the Missing Persons Committee, the ICRC representative should undertake to form an independent opinion, which should be implemented by the Committee. The Turkish Cypriots wanted all decisions to be adopted on a "no objection" basis. However, when I visited him in Nicosia on 19 April, Mr. Denktash indicated that the opinion of the ICRC representative would be given weight and would not be disregarded.

43. ICRC, though willing to take on functions conferred upon it by agreement of both sides, was not prepared to be placed in the midst of political controversy. President Kyprianou thereupon proposed that the Committee be presided over by a representative of the Secretary-General. This has not so far proved acceptable to the Turkish Cypriots. Mr. Denktash has proposed to meet with Mr. Kyprianou to discuss the problem. Consultations are continuing, both in Nicosia and in New York. Meanwhile, the matter will come before the Third Committee of the General Assembly at its current session under agenda item 12.

IV. Humanitarian and Economic Affairs

44. Since my report of 31 May 1978 (S/12723), the United Nations High Commissioner for Refugees has continued, at my request, to assist the displaced and needy population on the island in his capacity as Co-ordinator of United Nations Humanitarian Assistance for Cyprus.

45. Contributions in cash and kind from Governments, non-governmental organizations and voluntary agencies have enabled the Co-ordinator to complete a variety of projects during the period under review, and several additional projects are scheduled for completion during the coming months. The 1978 programme provided $15,076,981 for the financing of 54 projects currently being carried out. The 1979 programme is expected to provide about $16,000,000 for some 26 projects.

46. With the support of other United Nations agencies, the Co-ordinator has been in a position to ensure an adequate basic nutritional diet for the displaced and needy population of Cyprus by procuring food commodities and to meet more specific priority requirements resulting from the 1974 events in Cyprus.

47. The Co-ordinator's programme continues to concentrate on the provision of temporary accommodation, health centres and equipment, schools, community centres and facilities for children. Funds have also been made available towards the financing of basic agricultural and reafforestation projects, including procurement of specialized

vehicles, and for the provision of medicaments, medical equipment, educational materials, insecticides and pesticides.

48. Though the general situation of the displaced persons has improved, a total of 182,150 Greek Cypriots living in the south are still officially listed as displaced. Of these, 145,622 persons are supported by the Government of Cyprus, receiving food rations, allowances and other material assistance.

49. According to the Turkish Cypriot authorities, there are at present 37,407 displaced and needy Turkish Cypriots in the north whose condition is attributable to the events of 1974. They are being provided with food and other basic supplies, mainly channelled through the United Nations assistance programme. The 1,572 Greek Cypriots and some 610 Maronites in the north who are in need of assistance receive food rations and allowances delivered on a regular basis by UNFICYP through the distribution centres.

50. UNFICYP has continued to support the Co-ordinator's relief programme by delivering food supplies and other items. A total of 2,142 tons of relief supplies was distributed or delivered during the period under review through UNFICYP facilities. This included 567 tons, representing 298 truck loads of food-stuffs, clothing, gas and diesel oil, delivered to Greek Cypriots and Maronites in the north. In addition, 986 tons from UNHCR/WFP sources were provided directly to the Greek Cypriot authorities in the south. Supplies provided under the agegis of UNHCR/WFP to the Turkish Cypriot community in the north totalled 1,566 tons, i.e., 199 truck loads. Included in this total were medicines, medical equipment and building materials (approximately 562 tons) consigned to the new hospital in North Nicosia. Supplies transported to the Turkish Cypriot welfare stores in the north comprised wheat grain and wheat flour, rice, cooking oil and tinned food-stuffs. Since August 1974, a total of 17,429 tons of relief supplies have been provided to Greek Cypriots and Maronites in the north and 17,276 tons to Turkish Cypriots. Deliveries to Greek Cypriots and Maronites in the north usually have to be channelled through a representative of their community.

51. During the period under review, UNCIVPOL distributed social welfare payments to the Greek Cypriots in the north amounting to £C 78,628. The total amount disbursed since 1975 is £C 1,136,410.

52. In the medical field, UNFICYP provides emergency medical services, including medical evacuation by ambulance or helicopter. Delivery of medicines to the Turkish Cypriot community is made on a regular basis, and emergency requests for medicines are met immediately.

53. As part of its imvolvement in economic affairs, UNFICYP continues to provide escorts for work parties, inspection teams, farmers and anti-malaria spraying teams in the area between the lines. Other economic functions include the delivery of mail and postal parcels, as well as delivery of spare parts and equipment for water supply and electricity installations, and rendering assistance in the recovery of movable property.

54. An agreement was reached in late September 1978 between representatives of the Greek Cypriot and Turkish Cypriot communities in connexion with a sewerage project in Nicosia. That agreement followed a series of meetings between the two communities held since

July 1977 under the auspices of the United Nations Development Programme (UNDP) and with the participation of representatives of the World Bank and of UNFICYP. The project is a joint venture aimed at an integrated sewerage system extending to both communities in Nicosia. It is expected that work will commence within three months. UNFICYP will provide liaison and surveillance, in particular during the construction phase. Agreement on this major joint project, which on completion will benefit both communities, is a gratifying development, and it is hoped that it will be followed by others in the future.

V. GOOD OFFICES OF THE SECRETARY-GENERAL

55. I have pursued the mission of good offices entrusted to me in paragraph 6 of Security Council resolution 367 (1975) and continued by paragraph 2 of resolution 430 (1978). In my last report to the Council, I gave an account of developments in this regard up to 31 May 1978 (S/12723, sect. V). I brought that account up to date in my report of 2 November 1978 to the General Assembly pursuant to its resolution 32/15 of 9 November 1977 (A/33/348, sect. II). In order to avoid duplication, the substance of my report to the General Assembly is not reproduced in the present report. In my report of 2 November, I referred, in particular, to the proposals put forward by the Turkish Cypriots on 20 July and by the Cyprus Government on 25 July for the resettlement of Varosha with United Nations assistance and for the resumption of intercommunal negotiations.

56. Following the opening of the thirty-third session of the General Assembly, I held discussions on the same general subject in New York with President Kyprianou and Foreign Minister Rolandis, with His Excellency Mr. Denktash, with Foreign Minister Okçun of Turkey and with Foreign Minister Rallis and Deputy Foreign Minister Zaimis of Greece.

57. The problem of Cyprus also came up in the course of my talks with various representatives of other interested Governments who were present in New York for the General Assembly. It was generally considered that the resumption of the intercommunal negotiations was essential but that a meaningful and effective negotiating process could only develop if some of the practical problems mentioned in my last report to the General Assembly (A/33/348, paras. 22–23) were resolved. A number of ideas and suggestions were explored, with a view to developing a new and constructive basis for negotiations. Certain specific suggestions, based on the Makarios-Denktash guidelines of 12 February 1977 and on elements of the 1960 Constitution of Cyprus, bearing in mind United Nations resolutions, and in incorporating my earlier suggestions concerning Varosha, were submitted to the parties and to myself on 10 November. The hope was expressed that the suggestions would contribute to the prospect of a resumption of the intercommunal negotiating process within the framework of the mission of good offices entrusted to me by the Security Council. I understand that the parties in Cyprus, as well as the Governments of Greece and Turkey, are considering the suggestions and will inform me of their reactions in due course.

58. At its fifth plenary meeting on 22 September 1978, the General Assembly decided to include the item "Question of Cyprus" in its

agenda and to consider it directly in plenary meeting, on the understanding that the Assembly would, when considering the item, invite the Special Political Committee to meet for the purpose of affording the representatives of the Cypriot communities an opportunity to take the floor in the Committee in order to express their views. Accordingly, the Special Political Committee held two meetings on 7 November, in the course of which it heard statements by Mr. R. Denktash, representative of the Turkish Cypriot community, and Mr. A. Michaelides, representative of the Greek Cypriot community. The General Assembly held five plenary meetings on the item and, on 9 November, adopted resolution 33/15.

59. By a letter dated 7 November 1978 (S/12918), the Permanent Representative of Cyprus requested the Security Council to hold an urgent meeting to discuss the question of Cyprus. The Council considered the matter at its 2099th and 2100th meetings on 15 and 27 November. On the latter date, it adopted resolution 440 (1978).

VI. FINANCIAL ASPECTS

60. Voluntary contributions in the amount of approximately $230 million have been paid to the UNFICYP Special Account by 64 Member States and one non-member Government in respect of the periods from the inception of the Force on 27 March 1964 to 15 December 1978. In addition, voluntary contributions from public sources, interest earned on investment of temporarily undisbursed funds and other miscellaneous income received by the Account have totalled about $6 million. Accordingly, some $236 million have so far been made available to the UNFICYP Special Account towards meeting the costs of UNFICYP to the United Nations for the periods through 15 December 1978.

61. The costs to be borne by the United Nations for the operation of UNFICYP for the periods from the inception of the Force to 15 December 1978 are estimated at $297.5 million. This figure includes the direct cost to the United Nations of maintaining the Force in Cyprus, as well as the amounts to be paid to Governments providing contingents in respect of their extra and extraordinary costs for which they seek to be reimbursed by the United Nations.

62. The amount of $236 million so far received by the UNFICYP Special Account falls short of the requirement of $297.5 million indicated above by approximately $61.5 million. However, in addition to the voluntary contributions that have already been paid to the Account, some $100,000 are expected to be received in due course against pledges made by Governments but not yet paid by them.

63. If to the amount of $236 million so far received the amount of $100,000 of anticipated receipts is added, the receipts of the UNFICYP Special Account since March 1964 can then be expected to total approximately $236.1 million. The difference between this figure and the costs of approximately $297.5 million to be met becomes $61.4 million. Accordingly, unless additional contributions from existing or new pledges are received before 15 December 1978, the UNFICYP Special Account deficit as of that date will be $61.4 million.

64. If the Security Council should decide to extend for six months beyond 15 December 1978 the period during which the Force is to be

stationed in Cyprus, it is estimated that the additional cost to the Organization for the Force at approximately its present strength, assuming continuance of present reimbursement commitments, would amount to approximately $11.8 million, as detailed below.

UNFICYP cost estimate by major category of expense

	In thousands of U.S. dollars
I. Operational costs incurred by the United Nations:	
Movement of contingents	$168
Operational expenses	999
Rental of premises	380
Rations	797
Nonmilitary personnel, salaries, travel etc	1, 324
Miscellaneous and contingencies	200
Total I	3, 868
II. Reimbursement of extra costs of governments providing contingents:	
Pay and allowances	7, 100
Contingent-owned equipment	700
Death and disability awards	100
Total II	7, 900
Grand total (I and II)	11, 768

65. The above costs of UNFICYP for the next six-month period, which will have to be covered by voluntary contributions, do not reflect the full cost of this operation to Member and non-member States. In fact, they exclude the regular cost that would be incurred by the troop contributors if their contingents were serving at home (i.e., regular pay and allowances and normal matériel costs), as well as such extra and extraordinary costs as the troop contributors have agreed to absorb at no cost to the United Nations. The troop-contributing Governments have informed me that the costs of UNFICYP absorbed by them are of the order of $17.7 million for each six-month mandate period. Accordingly, the full costs of UNFICYP to Member and non-member States for the next six-month period are estimated at approximately $29.5 million.

66. In order to finance the costs to the Organization of maintaining the Force for a period of six months after 15 December 1978 and to meet all costs and outstanding claims up to that date, it will be necessary to receive voluntary contributions to the UNFICYP Special Account totalling $73.2 million.

VII. OBSERVATIONS

67. During the period under review, peace-keeping in Cyprus has continued to function well. The situation along the cease-fire lines has remained quiet, owing in great part to the vigilance of the United Nations Peace-keeping Force and to the co-operation of the parties. In the buffer zone between the lines, which amounts to about 3 per cent of the area of the island and is under exclusive UNFICYP control, Greek Cypriot and Turkish Cypriot farmers now cultivate some 115 different locations. Especially in the more sensitive sections, civilian activities of this kind depend on the provision by UNFICYP of the necessary escorts.

68. I and my Special Representative have pursued our efforts toward the establishment of an investigating body for the tracing of

and accounting for missing persons of both communities. This tragic problem, which continues to poison relations between the two communities, has been on the verge of solution for much too long. It would seem natural to endeavour to bridge the gap concerning the third member of the Missing Persons Committee by providing for an eminent independent personality who could be jointly appointed by the Secretary-General and the President of the ICRC. It could be further understood that the views of this personality would be given weight and would not not be disregarded by the Committee.

69. In pursuance of the mission of good offices entrusted to me by the Security Council, I have endeavoured to initiate an effective negotiating process in order to achieve a just and lasting settlement of the Cyprus problem based on the independence, territorial integrity and non-alignment of the Republic of Cyprus and on the legitimate rights of the two communities. However, a basis of negotiations for this purpose acceptable to the two sides is still lacking. I have adhered to the position that while intercommunal talks are essential, another round can only be convened in consultation with both parties and with their consent. The task at hand, therefore, is to develop the basis for moving from the parties' statements of conflicting positions to the stage of meaningful negotiations, mutual concessions and compromise solutions.

70. In order to promote the development of a more productive negotiating basis, I and my Special Representative in Cyprus have, over the past months, undertaken intensive consultations with all concerned. In the course of these consultations both parties stressed that they continued to accept the existing intercommunal negotiating arrangements. Both voiced their continued support of the Makarios-Denktash guidelines, and their acceptance of my suggestion that the resettlement of Varosha should be envisaged as a concrete first step, to be linked to the commencement of intercommunal talks.

71. There remains the practical problem of finding certain mutually acceptable negotiable concepts on the basis of which meaningful talks could be held and which would provide the parties with a common vehicle for amendments and discussions. As indicated in paragraph 57 above, certain specific suggestions along these lines have been submitted to the parties and to me. These are now under consideration. I am at present in contact with the parties in an effort to fix an early date for the resumption of intercommunal talks.

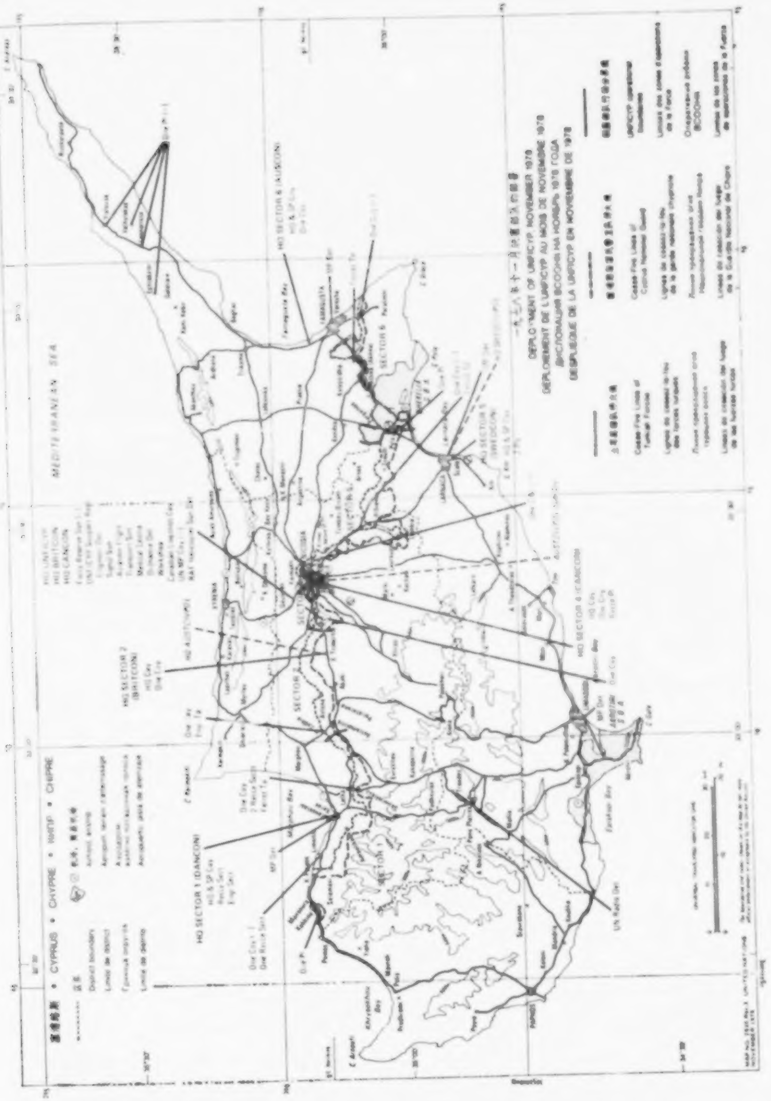
72. In the light of the situation on the ground and of political developments, I have concluded once again that the continued presence of UNFICYP remains indispensable. In helping to maintain calm in the island, the Force also facilitates the search for a peaceful settlement. I therefore recommend to the Security Council that is extend the mandate of UNFICYP for a further period of six months. In accordance with established practice, I have undertaken consultations with the parties concerned on this subject and shall report to the Council on these consultations as soon as possible.

73. The financial situation of UNFICYP has continued to be a cause for concern during the period under review. The deficit of the UNFICYP account, including the current period, is now of the order of $61.4 million. The claims of the troop-contributing Governments in respect of extra and extraordinary costs incurred by them for which they seek to be reimbursed by the United Nations have

been paid only until July 1975. As indicated in paragraph 65 above, the "extra and extraordinary costs" for which these Governments bill the United Nations represent in some cases only a fraction of the actual costs incurred by them in maintaining their contingents. The Governments concerned have conveyed to me their growing and very serious concern over the disproportionate financial burden they have been carrying. In these circumstances, I earnestly hope that the response to my last appeal for voluntary contributions, dated 10 November, will be more satisfactory than has been the case in the past; that Governments making financial contributions to UNFICYP will find it possible at least to maintain the level of their contributions and that Member States which have not contributed will now agree to reconsider their position in this important matter.

74. The United Nations owes a special debt of gratitude to the countries contributing contingents to UNFICYP, both for the excellence of the troops and for the disproportionate financial burden the Governments are bearing in making it possible to maintain this peace-keeping operation established and repeatedly extended by the Security Council. I also wish to place on record my appreciation for the generous support extended to UNFICYP by those Governments which have been making voluntary financial contributions.

75. In concluding this report, I wish to express my warm thanks to my Special Representative in Cyprus, Mr. Reynaldo Galindo-Pohl, to the Commander of the Force, Major-General James J. Quinn, and to the officers and men of UNFICYP and its civilian staff. They have continued to carry out with exemplary efficiency and devotion the important and difficult task entrusted to them by the Security Council.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DESPLIEGUE DE LA UNFICYP EN NOVEMBRE DE 1978
Cease-Fire Lines of Turkish Forces
Cease-Fire Lines of Cyprus National Guard
UNFICYP operational boundaries
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HQ CANCON
HQ SECTOR 1 (DANCON)
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96th Congress, 1st Session - - - - - - - - - - House Document No. 96–48

DOE ENERGY ACTIONS NOS. 3 AND 4

COMMUNICATION

FROM

THE SECRETARY OF ENERGY

TRANSMITTING

DOE ENERGY ACTION NO. 3, TO EXEMPT AVIATION GASOLINE AND KEROSENE-BASE JET FUEL FROM THE MANDATORY PETROLEUM ALLOCATION REGULATIONS, AND DOE ENERGY ACTION NO. 4, TO EXEMPT AVIATION GASOLINE AND KEROSENE-BASE JET FUEL FROM THE MANDATORY PETROLEUM PRICE REGULATIONS, PURSUANT TO SECTION 12 OF THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973, AS AMENDED

JANUARY 31, 1979.—Referred to the Committee on Interstate and Foreign Commerce and ordered to be printed

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LETTER OF SUBMITTAL

DEPARTMENT OF ENERGY,
Washington, D.C., January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Under the authority which the President delegated to me in Executive Order No. 12038 (43 F.R. 4957, February 7, 1978). I am hereby submitting to the House of Representatives, as DOE Energy Action No. 3, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Allocation Regulations. I am also hereby submitting to the House of Representatives DOE Energy Action No. 4, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Price Regulations. These actions are taken pursuant to and in accordance with the procedures of section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (EPAA, Pub. L. 93–159), section 551 of the Energy Policy and Conservation Act (EPCA, Pub. L. 94–163), and section 102 of the Energy Conservation and Production Act (Pub. L. 94–385). In accordance with those statutes, I am concurrently submitting these energy actions to the Senate.

The findings and views to support these amendments, which section 12 of the EPAA requires, are set forth in the enclosed documents, the *Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations* and the *Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations.*

In view of the period of Congressional review provided for by section 12 of the EPAA and section 551 of the EPCA, the enclosed amendments will not become effective until the first day following the expiration of the fiftten-day Congressional review period. Recently the Department of Energy adopted Standby Product Price and Allocation Regulations (44 F.R. 3928, January 18, 1979) that provide for the reimposition by the Department of controls on refined petroleum products in the event of fuel emergency. In case of such an emergency, controls on aviation gasoline and kerosene-based jet fuel could be reimposed through the procedures and in the form set forth in the new standby regulations.

Sincerely,

JAMES R. SCHLESINGER, *Secretary.*

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TITLE 10—ENERGY

CHAPTER II—DEPARTMENT OF ENERGY

PART 210—GENERAL ALLOCATION AND PRICE RULES

PART 211—MANDATORY PETROLEUM ALLOCATION REGULATIONS

Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Allocation Regulations

Docket No. ERA–R–78–5
Docket No. ERA–R–78–6

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 211 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Allocation Regulations. This exemption amendment has been transmitted to the Congress as DOE Energy Action No. 3 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the allocation regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. Both exemptions will become effective on the first day following the expiration of the 15-day Congressional review period. We are also issuing two documents entitled "Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation" and Price Regulations" and the "Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations" ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information), 2000 M Street, NW., Room B110, Washington, D.C. 20461, (202) 634–2170.

Gerald P. Emmer or William E. Caldwell, (Economic Regulatory Administration), 2000 M Street NW., Room 2304, Washington, D.C. 20461, (202) 254–8034.

Joel M. Yudson or Jack O. Kendall, (Office of General Counsel), 1200 Pennsylvania Avenue NW., Room 5134, Washington, D.C. 20461, (202) 633-8622.

Supplementary information:

- I. Background.
- II. Comments Received.
- III. Findings and Views.
- IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled "Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations" and "Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations" ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of determining whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking and kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline reregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Pub. L. 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Pub. L. 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Pub. L. 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In addition, the FERC accepted written comments through August 11, 1978. The FERC's hearings transcripts, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's Findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of section 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its "Analysis and Recommendations" in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of the FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects with the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404(c)(1) of the DOE Act.

Concurrently with the issuance of this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. The Secretary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 3 and 4, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Pub. L. 94–385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroleum product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. Comments Received

A. ADVANCE NOTICE ON KEROJET FUEL DEREGULATION

The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 23, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. ADVANCE NOTICE ON AVIATION GASOLINE DEREGULATION

The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations representing consumers, and governmental representatives.

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All of those commenting in response to the advance notice on aviation gasoline recommended that the ERA propose the exemption of aviation gasoline from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As in the hearing on kerojet fuel, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC COMMENTS RECEIVED ON KEROJET FUEL AND AVIATION GASOLINE DEREGULATION

The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoline proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few commenters provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first related to the possibility that spot shortages of aviation fuels may occur. This concern apparently stemmed from the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC which indicated that, although the supply of aviation products had appeared sufficient in the spring of 1978, new fixed base operators and small, established fixed base operators were currently experiencing difficulty in obtaining supplies. Adequacy of supplies for forest fire fighting and other emergency situations was expressed as being of immediate concern. Comments from the organizations representing fixed base operators and other marketers did not express such concern over supply availability. The FERC requested the Secretary to consider the possibility of a transitional supply protection program, more limited in scope than proposed Special Rule No. 4 for motor gasoline, applicable to only certain regions of the country. In this connection, the comments submitted to the FERC by the commercial airlines repeated the recommendation made to the ERA that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. The airlines, despite their desire for a transitional supply protection program, supported the exemptions in any event.

The FERC's second concern related to price monitoring. The substance of the FERC's suggestion in this regard—that we set forth the means by which we intend to monitor aviation fuel prices after deregulation—is dealt with in the preamble to the amendment exempting kerojet fuel and aviation gasoline from the price regulations.

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusion in its Findings.

Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, supply problems will be minimized. We project adequate supplies of kerojet fuel and aviation gasoline at least through 1980. As we have done with respect to products previously deregulated, we will continue to collect supply data pursuant to our general statutory authority to receive such information. The supply data collected by the Energy Information Administration will enable us to detect any significant supply problems which may develop following deregulation.

Based on our projections concerning supplies of kerojet fuel and aviation gasoline and the demonstrated ability of airlines to cope with supply problems, we conclude that it is not necessary to establish a mechanism to assure airlines a source of kerojet fuel supply during the transition period following the effective date of the exemptions or to establish a formal procedure which would require the ERA to take action on air carrier's complaint of discriminatory treatment. To the degree that possible local shortages of aviation gasoline or kerojet fuel might occur following deregulation, we could reimpose controls to the limited extent necessary to meet an emergency and redirect product or take other action as the situation would require. In addition, in some instances, problems may be resolved without resort to formal action, as ERA could suggest voluntary measures to relieve individual problems.

III. Findings and Views

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations and the concurrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.
2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regultions will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.
3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.
4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.
5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.
6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the Gross National Product (GNP); competition; small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price controls on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations for and production or extraction of fuels and minerals (section (4)(b)(1)(G)). Adequate supply and the positive effects of increased competition should also ensure that exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)). The exemption of kerojet fuel and aviation gasoline should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b)(1)(E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose allocation regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general allocation regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of controls, we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby product allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect as to kerojet fuel and aviation gasoline.

Emergency Petroleum Allocation Act of 1973, Pub. L. 93–159, as amended, Pub. L. 93–511, Pub. L. 94–99, Pub. L. 94–133, Pub. L. 94–163, and Pub. L. 94–385; Federal Energy Administration Act of 1974, Pub. L. 93–275, as amended, Pub. L. 94–332, Pub. L. 94–385, Pub. L. 95–70, and Pub. L. 95–91; Energy Policy and Conservation Act, Pub. L. 94–163, as amended, Pub. L. 94–385, and Pub. L. 95–70; Energy Conservation and Production Act, Pub. L. 94–385, as amended, Pub. L. 95–70, Pub. L. 95–91; Department of Energy Organization Act, Pub. L. 95–91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 211 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

David J. Bardin,
Administrator,
Economic Regulatory Administration.

1. Section 210.35 is amended by revising subparagraph (g)(1) and by adding subparagraph (h)(1) to read as follows:

§ 210.35 *Exempted products.*

* * * * * * *

(g)(1) Aviation turbine fuel (naphtha-base and kerosene-base) as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * * * *

(h)(1) Aviation gasoline as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * * * *

2. Section 211.1 is amended in paragraph (b) by revising subparagraph (9) and adding new subparagraph (10) to read as follows:

§ 211.1 *Scope.*

* * * * * * *

(b) *Exclusions.* * * *

(9) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation turbine fuel (naphtha-base and kerosene-base) is excluded from this part.

(10) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation gasoline is excluded from this part.

TITLE 10—ENERGY

CHAPTER II—DEPARTMENT OF ENERGY

PART 210—GENERAL ALLOCATION AND PRICE RULES

PART 212—MANDATORY PETROLEUM PRICE REGULATIONS

Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Price Regulations

Docket No. ERA-R-78-5

Docket No. ERA-R-78-6

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 212 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Price Regulations. The exemption has been transmitted to the Congress as DOE Energy Action No. 4 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the price regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. Both exemptions will become effective on the first day following the expiration of the 15-day Congressional review period. We are also issuing two documents entitled "Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations" and the "Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations" ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information), 2000 M Street NW., Room B110, Washington, D.C. 20461, (202) 634-2170.

Gerald P. Emmer or William E. Caldwell, (Economic Regulatory Administration), 2000 M Street NW., Room 2304, Washington, D.C. 20461, (202) 254-8034.

Joel M. Yudson or Jack O. Kendall, (Office of General Counsel), 1200 Pennsylvania Avenue NW., Room 5134, Washington, D.C. 20461, (202) 633-8622.

Supplementary information:

I. Background.
II. Comments Received.
III. Findings and Views.
IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration of the Department of Energy issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled "Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations" and "Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of determining whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking on kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline deregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Pub. L. 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Pub. L. 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Pub. L. 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In addition, the FERC accepted written comments through August 11, 1978. The FERC's hearing transcript, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's Findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its "Analysis and Recommendations" in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of the FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects with the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404(c)(1) of the DOF Act.

Concurrently with the issuance of this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. The Secretary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 4 and 3, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Pub. L. 94–385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroleum product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. Comments Received

A. ADVANCE NOTICE ON KEROJET FUEL DEREGULATION

The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 23, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, completion, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. ADVANCE NOTICE ON AVIATION GASOLINE DEREGULATION

The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent defining companies, retailers, trade associations representing consumers, and governmental representatives.

All of those commenting in response to the advance notice on aviation gasoline recommended that the FRA propose the exemption of aviation gasoline from the allocation and price regulations without an accompanying price monitoring or supply protection program. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As was the case with regard to kerojet fuels, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC COMMENTS RECEIVED ON KEROJET FUEL AND AVIATION GASOLINE DEREGULATION

The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoline proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few comments provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first reflected its apprehension over the possibility of spot shortages. This concern arose partially in response to the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC indicating potential difficulties new fixed base operators and small, established fixed base operators could have in providing supplies of aviation products for forest fire fighting and other emergency situations. The

FERC's concern also related to the commercial airlines' recommendation that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. This concern is addressed more fully in the preamble to the aviation gasoline and kerojet fuel allocation exemption.

FERC's other concern related to the price monitoring program recommended by the airlines. In its September 6 letter the FERC concluded that in view of our announced intent generally to monitor aviation fuel prices, a binding recommendation in this regard under Section 404 of the DOE Act was not necessary. The FERC did suggest, however, that the manner in which we intend to monitor prices be described at the time we announce the exemption and that such a program should not contain a "trigger."

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusions in its Findings.

In response to the FERC's suggestion regarding the price monitoring system, we reemphasize that we intend to analyze kerojet fuel and aviation gasoline prices after deregulation. As we have done with respect to previously deregulated products, we will continue to collect supply and price data pursuant to our general statutory authority to receive such information so as to enable us to detect any significant changes in market conditions which may develop following deregulation of kerojet fuel and aviation gasoline.

As part of its role in monitoring market price trends, the Energy Information Administration (EIA) of the DOE collects pricing data on kerojet fuel and aviation gasoline from refiners, large resellers, retailers, and gas plant operators. The EIA uses the data reported on FEA Form P302–M–1 to calculate national weighted average wholesale and retail prices of kerojet fuel and aviation gasoline on a monthly basis. This information is made available to the public in two monthly publications prepared by the EIA, the "Monthly Energy Review" and the "Monthly Petroleum Product Price Report."

We also anticipate continued reliance in our monitoring activities on the Civil Aeronautics Board's monthly report "Fuel Cost and Consumption." This publication provides average prices per gallon for aviation fuels on a monthly basis. It also indicates the percentage price increase per gallon over the average price per gallon in the preceding month, the same month in the preceding year, and in July 1973. This data is provided separately for individual domestic and international trunk, local service, cargo, and supplemental carriers.

In view of the relatively small universe of suppliers and purchasers of kerojet fuel, we do not believe a price monitoring or survey system more detailed than that presently existing is necessary to detect significant changes in market conditions.

We have decided not to establish a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, such problems will be minimized. We believe therefore, inasmuch as most airlines are capable of bringing to our attention instances of discriminatory treatment with respect to the pricing or supply of kerojet fuel. We encourage communication from any party which may experience difficulty in securing adequate supplies of either kerojet fuel or aviation gasoline following deregulation, inasmuch as such information will facilitate our analysis of the effects of deregulation on price trends and supply distribution.

While fixed base operators may increase prices for kerojet fuel and aviation gasoline in certain regions after deregulation to reflect increased non-product costs, these regional increases should be offset in part by reductions in other regions. We have concluded that during a period of adequate supplies which is expected at least through 1980, average prices for kerojet fuel and aviation gasoline will not rise to levels significantly higher than if regulations were continued.

III. Findings and Views

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations and the concurrrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.
2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regulatioins will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.
3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.
4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.
5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.
6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the gross national product (GNP); competition; small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price regulations on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations (section 4(b)(1)(C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section 4(b)(1)(G)). Adequate supply and the positive effects of increased competition should also ensure that the exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)). The exemption should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b)(1)(E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose price regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general price regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of regulations, we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby production allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect with respect to kerojet fuel and aviation gasoline.

(Emergency Petroleum Allocation Act of 1973, Public Law 93–159, as amended, Public Law 93–511, Public Law 94–99, Public Law 94–133, Public Law 94–163, and Public Law 94–385; Federal Energy Administration Act of 1974, Public Law 93–275, as amended, Public Law 94–332, Public Law 94–385, Public Law 95–70, and Public Law 95–91; Energy Policy and Conservation Act, Public Law 94–163, as amended, Public Law 94–385, and Public Law 95–70; Energy Conservation and Production Act, Public Law 94–385, as amended, Public Law 95–70, Public Law 95–91; Department of Energy Organization Act, Public Law 95–91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

DAVID J. BARDIN,
Administrator,
Economic Regulatory Administration.

1. Section 210.35 is amended by revising subparagraph (g)(2) and by adding subparagraph (h)(2) to read as follows:

§ 210.35 *Exempted products.*

* * * * * * *

(g) * * *

(2) Aviation jet fuel as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

(h) * * *

(2) Aviation gasoline as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

2. Section 212.31 is amended in the definition of "covered products" to read as follows:

§ 212.31 *Definitions.*

* * * * * * *

"Covered products" means butane, crude oil, gasoline, natural gas liquids, natural gasoline, and propane. A blend of two or more particular covered products is considered to be that particular covered product constituting the major proportion of the blend. A blend of one or more covered products with one or more non-petroleum-based products is a covered product if the covered product or products constitutes more than 50 percent by volume of the blend, and is that covered product which is the most predominant by volume in the blend.

* * * * * * *

3. Section 212.56 is amended to read as follows:

§ 212.56 *General refinery products.*

(a) The following general refinery products are exempt from the provisions of this part: aviation gasoline, benzene, gas oil, greases, hexane, kerosene, lubricant base oil stocks, lubricants, naphthas, No. 1 heating oil, No. 1-D diesel fuel, residual fuel oil, special naphthas (solvents), toluene, unfinished oils, xylene, and other finished products.

(b) The following general refinery products are not exempt from the provisions of this part: butane, natural gas liquids, natural gasoline, and propane.

4. Part 212 is amended by adding a new § 212.58 as follows:

§ 212.58 *Aviation jet fuel.*

The sales of aviation jet fuel are exempt from the provisions of this part.

DOE/ER-0023

Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations

June 1978 (Statistically Updated to December 1978)

U.S. Department of Energy
Economic Regulatory Administration
Office of Regulations and Emergency Planning

DOE/ER-0023
Distribution Category UC-92

Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations

June 1978 (Statistically Updated to December 1978)

U.S. Department of Energy
Economic Regulatory Administration
Office of Regulations and Emergency Planning
Washington, D.C. 20561

FOREWORD

This report represents the Economic Regulatory Administration's current Findings and Views regarding the exemption of kerosene-base jet fuel from ERA's Allocation and Price Regulations. In June 1978, we issued an earlier version of these Findings and Views for public comment. This updated version now contains statistical information available through January 15, 1979. The supply/demand forecast contained in Chapter IV now includes projections for 1980. Having evaluated the comments received and the more recent figures, we have changed neither our conclusions nor the substance of the analysis upon which they are based. Accordingly, the text of this document is quite similar to the June 1978 report.

TABLE OF CONTENTS

PAGE

FOREWARD

EXECUTIVE SUMMARY

I INTRODUCTION 1

II BACKGROUND 6

Product Description 6

Production Characteristics 7

Demand 8

Supply and Price 11

Distribution 16

III HISTORICAL CONDITIONS 18

Introduction 18

Chronology of Allocation and Price Controls 19

Demand 23

Airline Demand 28

Military Demand 32

General Aviation Demand 32

Non-Aviation Demand 33

Supply 33

Price Trends 43

Market Structure 48

IV IMPACT OF DECONTROL SUPPLY/ DEMAND, PRICE AND MARKET STRUCTURE 50

Demand Forecast 51

Supply Forecast 56

TABLE OF CONTENTS (continued)

PAGE

IV IMPACT OF DECONTROL ON SUPPLY/DEMAND, PRICE AND MARKET STRUCTURE (continued)

Refinery Capacity 58

Availability of Crude Oil 62

Foreign Excess Refining Capacity 65

Price Forecast 65

Banked Costs 69

Supply/Demand 72

Nature of the Market 73

Alternate Product Value 73

World Price 76

Summary and Conclusions 78

V IMPACT OF EXEMPTION OF KEROJET FUEL ON THE ECONOMY 83

VI FINDINGS AND CONCLUSIONS 87

Findings Related to Supply and Demand 89

Findings Related to Price 89

Consistency with the Objectives of the EPAA 90

DOE's Views Related to Potential Economic Impacts 91

Views on Unemployment Consumer Price Index, and Gross National Product 94

SUMMARY OF FINDINGS AND CONCLUSIONS 95

INDEX OF TABLES AND FIGURES

PAGE

Figure III-1 Demand for Kerojet Fuel (1968-1976) 25

Figure III-2 PAD Districts 26

Figure III-3 Demand by Use for Kerojet Fuel 27

Figure III-4 Points Receiving Passenger Service by Certificated Air Carriers 30

Table III-1 Domestic Production of Refined Products 34

Table III-2 Average Daily Kerojet Demand and Stocks at End of Year 35

Figure III-5 Kerojet Fuel Supply 37

Figure III-6 Imports of Kerojet Fuel 39

Table III-3 Kerojet Average Weighted Domestic Price 44

Table III-4 Retail Kerojet Fuel Price 47

Table III-5 Users of Kerojet 48

Table III-6 Refiner Group Shares of Kerojet Fuel Sales 49

Table IV-1 Demand for Kerojet Fuel 52

Figure IV-1 Domestic Demand for Kerojet Fuel 53

Table IV-2 Projected Domestic Petroleum Product Demand 57

Table IV-3 Projected U.S. Petroleum Supply Analysis 59

Table IV-4 Domestic Refinery Capacity Utilization 60

Table IV-5 Projected Kerojet Production and Supply 61

Table IV-6 Crude Oil Production For Major Petroleum Exporting Countries 64

Table IV-7 Foreign Refining Capacity 66

Table IV-8 Projected Composite Crude Costs and Non-Product Cost Increases With Controls 68

Table IV-9 Aviation Fuels Bank 71

Table IV-10 Historic Domestic Price Comparison 75

Table IV-11 Alternative Values 77

Table IV-12 Imports of Kerojet Fuel 79

EXECUTIVE SUMMARY

- To exempt kerosene-base jet fuel (kerojet) from the Mandatory Petroleum Allocation Regulations, the Department of Energy (DOE) must find "... that such oil or refined product category is no longer in short supply and that exempting such oil or refined product category would not have an adverse impact on the supply of any other oil or refined product..." [Section 12(d)(1)(A) of the Emergency Petroleum Allocation Act of 1973 (EPAA), as amended]. Currently kerojet represents approximately 4.5 percent of the total demand for all petroleum products. DOE concludes that domestic refinery capacity together with available imports are sufficient to meet projected increases in demand through the year 1980. Exemption may, in fact, stimulate production and supply.
- To exempt kerojet from the Mandatory Petroleum Price Regulations, the DOE must also find "... that competition and market forces are adequate to protect consumers and that exempting such oil or refined product category will not result in inequitable prices for any class of users of such oil or product..." [Section 12(d)(1)(B) of the EPAA]. With current adequate supplies of kerojet, DOE finds that currently kerojet prices are experiencing only slight upward pressures. Competition and market forces are therefore currently adequate to protect consumers and supplies are estimated to be sufficient in

the future to prevent inequitable prices for any class of consumer as a result of exempting kerojet from regulation.

-- The DOE further finds that the exemption of kerojet is consistent with the attainment of the objectives set forth in the EPAA.

-- The DOE further finds that the exemption of kerojet from regulation will not significantly affect the rate of unemployment, Consumer Price Index, or the Gross National Product (GNP).

-- Continuation of kerojet regulations designed for an embargo situation has not appeared to be necessary to achieve the objectives of the EPAA. The Economic Regulatory Administration (ERA) referred a proposed kerojet exemption to the Federal Energy Regulatory Commission (FERC) under Sections 402(c)(1) and 404 of the Department of Energy Organization Act, Pub. L. 95-91 (DOE Act). After receiving public comment, the FERC concurred with ERA's proposal. The DOE is now submitting to the Congress, in accordance with the requirements of Section 12 of the EPAA, Section 551 of the Energy Policy and Conservation Act (EPCA), and Section 102 of the Energy Conservation and Production Act (ECPA), the exemption of kerojet from the Mandatory Petroleum Allocation and Price Regulations.

CHAPTER I

INTRODUCTION

This report presents the DOE's findings and views with respect to the exemption of kerosene-base jet fuel (kerojet) from the Mandatory Petroleum Allocation and Price Regulations (10 CFR, Parts 210, 211, and 212) issued pursuant to the Emergency Petroleum Allocation Act of 1973 (EPAA), Public Law 93-159 (November 27, 1973), as amended. Section 455 of the Energy Policy and Conservation Act (EPCA), Public Law 94-163 (December 22, 1975), added Section 12 to the EPAA, which requires that any amendment submitted to the Congress for the purpose of exempting a petroleum product or refined product category from regulation be supported with certain findings and DOE views on a variety of matters related to the exemption. Section 102 of the Energy Conservation and Production Act (ECPA), Public Law 94-385, requires separate submissions to the Congress of energy actions exempting a refined product category from both price and allocation provisions of DOE regulations, but it does permit the DOE to submit concurrently separate energy actions proposing price and allocation exemptions.

Based on an analysis of historic and projected supply, demand, and price trends, the DOE has concluded that allocation and price controls are no longer necessary for kerojet fuel and that exemption of kerojet fuel will be consistent with the attainment, to the maximum extent practicable, of the objectives specified in Section 4 (b)(1) of the EPAA. The DOE is submitting concurrently to the Congress, in accordance with the provisions of Section 12 of the EPAA, Section 551 of the EPCA, and Section 102 of the ECPA, two energy actions to exempt kerojet from allocation and price controls. The exemption will become effective upon the date specified in the amendment and the regulations will be converted to standby status. Inasmuch as DOE is submitting concurrent energy actions exempting kerojet from both price and allocation regulations, this report considers the impact of both exemptions.

The DOE's findings regarding the exemption of kerojet from regulation are as follows:

- Kerojet is not in short supply.
- Exemption of kerojet from the allocation and price regulations will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.
- Competition and market forces are adequate to protect consumers following exemption of kerojet from regulation.

- Exemption of kerojet from regulation will not result in inequitable prices for any class of user of kerojet or other products.

The DOE also believes that an exemption of kerojet from price and allocation regulations is consistent with the objectives set forth in Section 4(b)(1) of the EPAA. Since supplies of kerojet are adequate, and should continue to be sufficient, continued mandatory price and allocation controls for kerojet are unnecessary to:

- protect public health, safety, welfare, and national defense [Section 4(b)(1)(A)];
- maintain all public services [Section 4(b)(1)(B)] and agricultural operations [Section 4(b)(1)(C)];
- maintain exploration for and production or extraction of fuels and minerals [Section 4(b)(1)(G)]; and
- insure equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices [Section 4(b)(1)(F)].

Because the regulations issued pursuant to the EPAA are designed to deal primarily with shortage conditions, an exemption is required to facilitate the attainment of the following EPAA objectives in the current period of adequate supplies:

- preservation of an economically sound and competitive petroleum industry [Section 4(b)(1)(D)].
- economic efficiency [Section 4(b)(1)(H)]; and
- minimization of economic distortions, inflexibility, and interference with market mechanisms [Section 4(b)(1)(I)].

Further, an exemption should not have an adverse effect on allocating suitable crude oil to U.S. refineries [Section 4(b)(1)(E)], maintaining energy production, or providing for maximum use of refinery capacities.

DOE further finds that the exemption of kerojet from regulation will not have an adverse effect on:

- any state or region of the country
- availability of consumer goods and services
- the Gross National Product (GNP)
- competition
- small business
- the supply and availability of energy resources for use as fuel or feedstock for industry
- the Consumer Price Index, consumer prices, or the implicit price deflator for the GNP, and
- the rate of unemployment.

Chapter II provides background information on the use, production, and distribution of kerojet. Chapter III analyzes the historical interaction of supply, demand, and price, and explores the market structure for kerojet during 1968-1978, prior to and during imposition of allocation and price controls. Chapter IV considers future demand, supply, price, and market structure conditions, examines the effect of exempting kerojet from controls, and indicates the benefits to be derived from such exemption. In Chapter V, the potential economic impacts of exemption are evaluated. Chapter VI provides a final summary of the DOE's findings and views in support of its judgment that kerojet should be exempted from the Mandatory Petroleum Allocation and Price Regulations.

CHAPTER II

BACKGROUND

This chapter provides background information regarding the characteristics, uses, production and distribution of kerojet fuel. Kerojet fuel has the technical properties of products in the middle distillates range. However, because of the distinctive nature of its usage, it has always been treated as a separate product under DOE price and allocation programs, and it therefore was not included among the products covered by the deregulation of the middle distillate category.

PRODUCT DESCRIPTION

Aviation turbine fuel (kerosene-type) is defined in 10 CFR 212.31 as "a relatively low freezing point distillate of the kerosene type and includes all kerosene products with an average gravity of 40.7° API and 10 percent to 90 percent distillation temperatures of 390° F. to 470° F. covered by ASTM D-1655 and ASTM ES-2-74 specifications, and including JP-5 and other fuels meeting military specifications (MIL-T-5624G Amend. 1)," and in 10 CFR 211.142, "Aviation Turbine Fuel" (kerosene-base) means "all refined petroleum fuel designed to operate aircraft turbine engines. The basic specification is ASTM D-1655...."

Currently there are three civilian jet fuel designations: Jet A, Jet A-1, and Jet B. Jet A and Jet A-1 are kerosene base and employed primarily by domestic and international airlines. JP-4, a naphtha-base fuel used primarily by the military, and its non-military equivalent, Jet B, were exempted from the Mandatory Petroleum Allocation and Price Regulations on October 1, 1976, and need not be considered in this report.

Of the eight different categories of jet propulsion fuels designated by the Department of Defense (DOD), JP-1 through JP-8, this report principally concerns JP-5, but also includes JP-6, JP-7, and JP-8, all kerosene-base fuels. JP-6 and JP-7 are largely experimental; JP-8, also experimental, may come into widespread use, but not before the end of 1980. Among the other fuels, JP-1 through JP-3 are obsolete.

Kerosene jet fuels have negligible Reid vapor pressures. Specifications call for flash points above 105° F. (41° C). In contrast, naphtha jet fuel freezes at a lower range of temperatures, is more volatile than kerosene jet fuel, and generates a potentially explosive vapor. Other minor differences among turbine engine fuels are attributable to additives which retard bacteriological growth (biocidal), lower the freezing point, or act as anti-corrosives.

PRODUCTION CHARACTERISTICS

Kerojet fuel has a kerosene base which is produced by simple distillation. However, several additional processes are required to produce an aviation quality jet fuel as specified by ASTM D-1655 or ES-2. These include desulfurization to a maximum weight of 0.3 percent, reduction of the aromatics content to 20-25 percent, caustic washing to reduce lead sulphates, and final cleansing in water wash and clay towers.

These complex additional processes are a reason why kerojet fuel production is dominated by major refiners. Fourteen refiners which produce kerojet fuel are responsible for 97 percent of domestic production.

Kerojet fuel has the same distillation range as many middle distillate products, particularly kerosene, the lighter heating oils and diesel fuels. It is a relatively narrow cut in that only about 10 percent of the barrel may be used to produce kerojet fuels, as compared to some 20 percent for the entire middle distillate range, and 24 percent for naphtha jet fuel.

DEMAND

Kerojet fuel is used primarily (86 percent) by scheduled airlines in turbine engined (jet and turboprop) transport aircraft.

Military use of kerojet fuel amounts to 5.5 percent of the total. Most of this is JP-5 used by the Navy for carrier aircraft. Due to its lower volatility, the Navy prefers it to JP-4 for storage aboard ship.

General aviation use of kerojet fuel equals 5.5 percent of the total. 60 percent of total general aviation fuel consumption is kerojet fuel. The balance, 40 percent, is aviation gasoline. Kerojet use has grown rapidly since 1960 when turboprop and turbojet aircraft were first produced for use in such segments of general aviation as corporate aviation, commuter airlines (not listed in Civil Aeronautics Board (CAB) airline statistics) and public aviation (non-military government aviation). At the end of 1977, there were 6,000 such aircraft using kerojet fuel (1,900 jet, 2,500 turboprop, 1,600 jet helicopter: source Federal Aviation Administration (FAA)) as compared with 2,300 total in 1970. This rapid growth in the number of turbine aircraft has also created a demand for this fuel type at many airports where kerojet fuel was not formerly marketed during "base period" 1972 (as defined in 10 CFR 211.142).

The remaining 3.0 percent of demand for kerojet is from the manufacturers of aircraft and engines and from electric utilities as an alternate fuel. This alternate fuel use has been diminishing since 1972.

Aviation has become the primary means of long-haul and intercity commercial travel, and also of overseas travel. Revenue passenger miles grew from 105 billion in 1960 to 160 billion in 1973,[1/] and to 223 billion for the twelve

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[1/] CAB Report to the Congress on "The Content and Feasibility of Proposed Programs for Additional Savings in Energy Consumption by the Air Carriers Regulated by the Board."

months ending July 31, 1978 (CAB data). Much of this growth followed the introduction of subsonic jet transport aircraft in 1958 when 25 billion passenger miles were flown. Revenue passenger miles remained at the same level in 1975 as 1974. In 1976 they increased 10.7 percent and in 1977, 7.4 percent. In the year ending July 31, 1978, airline revenue passenger miles increased 12.7 percent over the like period the previous year.

Thus, adequate air transportation has become not merely a convenience but a vital resource that cannot be given up without major changes in lifestyles, business procedures and productivity in government, industry and private affairs. However, civil air transportation, including general aviation as well as airlines, is energy-intensive, accounting for 4.7 percent of total petroleum energy consumption in 1977.

Kerojet consumption grew from 683 million gallons in 1960 to 12.6 billion in 1977 and increased at a 3.6 percent rate during the first six months of 1978 (BOM data). As another indicator of growth, airlines accounted for 83 percent of intercity passenger miles travelled by public conveyance in 1978, as compared with 75 percent in 1972.1/

A corollary to explosive airline growth has been an atrophy of alternate passenger transportation modes, ground and sea, to the point where the application of all available resources could not equip them to assume a significant portion

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1/ Air Transport Association (ATA)

of the role now performed by civil aviation without a three to five year lead time.[1/] Thus, by 1980 very little strengthening of alternate transportation modes is anticipated.

SUPPLY AND PRICE

Throughout the period from 1975 to mid-1978 supplies were adequate to meet demand, except for localized situations caused by distribution deficiencies or by DOE regulations which limited the flexibility with which allocated volumes of fuel could be altered to keep pace with changing demand patterns.

As most active kerojet producers are maximizing yield of kerojet, there is limited flexibility in kerojet production to accommodate distributional deficiencies. As a national average, refineries can devote about 10 percent of their refinery runs to kerojet, but would only be required to produce at a 4.5 percent level to meet demand if all refineries produced kerojet. However, in some regions and for some refiners, kerojet production is at maximum capability.

Kerojet stocks have increased, paralleling slightly increasing demand. In June 1978, stocks were 31,427,000 barrels, a full month's supply.

In the first half of 1978, 8.0 percent of the domestic demand for kerojet was imported. This compares to 20.9 percent of the domestic demand for the full year 1973, 17.5 percent in 1974, 13.2 percent in 1975, 8.3 percent in 1976, and 6.4 percent in 1977.

[1/] Department of Transportation

Prior to the 1973 oil embargo, kerojet fuel prices paid by airlines averaged 11 cents per gallon. The average October 1978 fuel price for CAB certificated domestic trunk airlines was 38.9 cents per gallon, a 5.8 percent increase over the October 1977 level. The rise to the June 1976 price level of 29.8 cents per gallon was filtered and delayed by fixed price, long-term contracts between airlines and their suppliers. As one or another of these contracts expired, temporary wide differences in prices paid for fuel occurred from one airline to another. Most of these contracts have now expired and have been replaced with a variety of agreements that have shorter durations and typically include price escalation clauses.

Military prices paid by the Defense Fuel Supply Center (DFSC) for JP-5 rose from 10 1/2 cents per gallon prior to the embargo to an average of 39.5 cents per gallon during the third quarter of 1978. This compares to 39.5 cents paid for JP-4 during the same period.

The retail pump prices paid by the various general aviation activities to fixed base operators (FBO) vary widely. For example, when an FEA survey of FBOs was conducted, retail prices in May 1977 varied from about 55 to about 83 cents per gallon. There are many reasons for such variations which have always characterized this market. They include volume of sales, transportation costs, presence or absence of competition, state taxes, local fees, and the amount of service given to fuel purchasers. For these reasons, it is difficult to determine an average price. In December 1975, FEA granted to FBOs an additional markup of 3 cents per gallon, for a total of 4 cents, to reflect increased non-product costs. As a result of this action, accumulated cost pressures were relieved.

The subsonic jet transport aircraft was conceived and designed for a fuel cost of 9 cents per gallon (DFSC Report to FEA 1976). It took one gallon of fuel to move four tons of carrying capacity in the aircraft a distance of one mile. This compares with 3.3 tons for older, propellor aircraft and about 6 tons for the newer aircraft now in service (DC-9-50, 727-200 and "wide body jets") applying current fuel conservation procedures. Fuel amounted to 19.8 percent of airlines total cash operating expenses during first half of 1978. Labor costs, which represent 41.2 percent of total operating expenses, also rose significantly.

As costs have increased, domestic air fares have risen. During the 5 year period ending July 1977, domestic air fares rose 32.6 percent. The resulting reduction in Revenue Ton Mile (RTM) demand contributed in 1974 to a drop in demand for kerojet fuel below the 1973 level. Fuel demand was also reduced by energy saving procedures. 1975 and 1976 fuel demands were on a level slightly above 1974, but still below 1973. Thus, rising ticket prices during this period did not constrain RTM demand. During the past two years a major program of promotional and reduced ticket prices has been the primary cause of RTM demand increase estimated by ATA at nearly 30 percent.

When jet aircraft were introduced into airline service in October 1958, little use was made of kerojet fuel by the military, which had switched to naphtha-base JP-4 in 1952, and there was insufficient demand for alternate use products such as diesel fuel, fuel oil, and kerosene to deplete the supply. Therefore, kerojet was priced to the airlines on an incremental barrel basis, as surplus product. By 1965 demand had increased to the point where efforts were made to price it more nearly on an alternate product value basis. Full impact was delayed by the existence of long-term contracts between refiners and airlines. However, between 1967 and 1972, the airline kerojet fuel price increased 13.4 percent (source ATA). In 1973, prior to the embargo, airline kerojet prices went up another 8 percent (source DFSC), but were still 12 percent below the price of kerosene (source National Petroleum News Factbook). Thus, kerojet fuel was not priced at its alternate product value and was under pressure for price increases at the time of the Arab Oil Embargo. These price increases had not been realized due to long-term contracts between suppliers and airlines.

Effective January 15, 1974, FEA mandatory price regulations froze prices at the May 15, 1973, level, a time when kerojet prices were below alternate product value.

In addition to pricing, the availability of supply is also affected by the fact that kerojet fuel is a "narrow cut" of the crude oil barrel and by the limited number of suppliers.

Some refiners having access to the most appropriate quality of crude oil can refine as much as 14 percent of the barrel into kerojet fuel. A higher level can be maintained for short periods using sophisticated and costly secondary operations that would result in the loss of more than one gallon of some other product (gasoline in summer, heating and residual oil in winter) for each additional gallon of kerojet fuel. This level of 13-14 percent yield involves hydroforming which adds to cost.

For all producers of kerojet fuel, the maximum sustained level of kerojet production without hydroforming and without catalytic reforming is in the vicinity of 10 percent of the barrel of crude oil. However, since many refiners produce no kerojet, and some are presently turning more than 10 percent of their crude barrel into kerojet, there is limited flexibility, particularly in some geographic areas, to increase supply quickly to meet any rapid change in demand. Over an extended period, increases in demand could be accommodated either by the entry of additional refiners into the kerojet market or by an increase in overall refinery capacity by the current kerojet suppliers, or both.

As a result of the foregoing, temporary spot shortages of kerojet have been experienced during the past two years and can probably be anticipated during the short-term future. The existence of controls creates rigid relationships which aggravate this condition whereas an unimpeded market would allow the industry supply flexibility to cope with such spot shortages. However, there is no overall shortage of supply.

DISTRIBUTION

Eighty-six percent of kerojet fuel is marketed to commercial airlines by refiners, principally large integrated refiners, and its marketing is characterized by multiple point contracts involving deliveries by one supplier to several airports. Distribution is accomplished mainly by transport trucks and by pipelines (which go directly into major airports).

All of the fuel used by the U.S. Armed Forces is procured by the Defense Fuel Supply Center. Many of the military procurement contracts call for fuel to be delivered directly from the refinery to specific military installations. The remaining military contracts are "single point" (or point of origin) contracts requiring little or no activity by the refiner beyond the refinery gate. The contracts allow for delivery of the product at the refinery with DFSC arranging transportation to the point of use. The major portion of

DFSC distribution is accomplished by transport trucks. The rest is delivered by railroad tank cars, river barges, coastal tankers, and ocean-going barges.

With respect to general aviation, kerojet fuel is delivered to FBOs by refiners, usually in trucks. FBOs are aviation fuel retailers. Thus, delivery is made to a large number of airports, most of which sell relatively small volumes. Nearly all FBOs are branded and independent. They store fuel in tanks that may be owned by them, or the refiner, or a combination. Although they sometimes use fixed pumps to deliver fuel to the consumer, trucks are usually used. In either case, these may be owned by the FBO, or the refiner, or a combination.

In January 1978, large integrated refiners supplied 91 percent of kerojet fuel, large independents supplied 6 percent, and small refiners provided 3 percent. At the same time, four refiners produced two-thirds of all kerojet, while twelve refiners produced 91 percent. Independent distributors, resellers, and retailers play a very minor role in kerojet marketing.

CHAPTER III

HISTORICAL CONDITIONS
(1968-1978)

INTRODUCTION

The historical interaction of supply, demand, and price of kerojet fuel, and the market structure of the petroleum industry are examined in this chapter in order to address the findings required by the EPAA. The following questions will be resolved:

- Is kerojet fuel in adequate supply?
- Will exemption of kerojet fuel from regulation result in shortages of other refined products?
- Are competition and market forces adequate to protect consumers following an exemption of kerojet fuel?
- Will exemption result in inequitable prices for any class of user?
- Is the exemption of kerojet fuel consistent with attainment of the objectives of the EPAA?

This chapter provides an overview of the period 1968 through 1978 and a perspective for assessing the effects of exempting kerojet fuel from the Mandatory Petroleum Allocation and Price Regulations.

Chronology of Allocation and Price Controls

Allocation and price controls on petroleum products (including kerojet fuel) have been imposed at various times over the past several years beginning with the series of price controls established under the Economic Stabilization Program. The principal allocation and price controls involved, for purposes of this report, are as follows:

Program	Effective Date	Description and Responsible Office
Phase I	August 15, 1971	Original Price Freeze Office of Emergency Preparedness
Phase II	November 13, 1971	Mandatory Price Controls Price Commission
Phase III	January 11, 1973	Voluntary Price Standards Cost of Living Council
Special Rule No. 1	March 6, 1973	Mandatory Price Controls on Petroleum Industry Cost of Living Council
Price Freeze II	June 13, 1973	Price Freeze II Cost of Living Council
Phase IV	August 19, 1973	Mandatory Price Controls on Petroleum Products Cost of Living Council
Mandatory Middle Distillates Allocation Program	November 1, 1973	Office of Oil and Gas Department of Interior Energy Policy
Emergency Petroleum Allocation Act of 1973 (EPAA) as extended and amended by the EPCA (12-22-75) and the ECPA (8-14-76)	November 27, 1973	Mandatory Allocation & Price Regs. issued Jan. 14, 1974, Federal Energy Office Federal Energy Administration and Department of Energy

Major Provisions of the Controls

The Phase I Controls consisted of a general price freeze imposed on all sectors of the U.S. economy for a period of 90 days under which prices were frozen at their August 15, 1971 level.

The Phase II Mandatory Price Controls established ceiling prices for all industries based on Phase I prices with limited adjustments allowed to reflect increased costs.

The Phase III Voluntary Price Standards, applied generally to all industries and permitted price increases above those lawfully in effect on January 11, 1973, to reflect increased costs without regard to profit margin limitations. Phase III had the effect of permitting large increases in petroleum product prices. As a result, Phase III was amended by Special Rule No. 1 on March 6, 1973, the first time price controls were established expressly for the petroleum industry. Special Rule No. 1 limited price increases to a weighted average price of one percent above the January 11, 1973, base price levels. However, Special Rule No. 1 applied only to sales of crude oil and refined products by the 23 largest oil companies, and petroleum prices continued to rise because of price increases by the uncontrolled portion of the petroleum industry.

Partly because of continuing increases in petroleum prices, Price Freeze II was placed in effect on June 13, 1973.

This 60-day price freeze was imposed on virtually all consumer prices.

The Phase IV Controls for Petroleum Products, developed during the 60-day price freeze, went into effect on August 19, 1973, and provided for a comprehensive system for controlling petroleum prices at the producer, refiner, and distributor levels. Controls regarding retailers were implemented on September 7, 1973.

The Phase IV price controls were incorporated into the Mandatory Petroleum Price Regulations now in effect under the EPAA.

The Mandatory Middle Distillates Allocation Program, which went into effect on November 1, 1973, required suppliers to allocate to wholesale purchasers supplies equal to volumes purchased in the corresponding month of 1972, or, if these quantities were not available, then a pro rata share of the supplier's supplies. Any supplies available in excess of 1972 levels could be distributed at the supplier's discretion under this program.

The programs established under the Emergency Petroleum Allocation Act of 1973, and under the Mandatory Petroleum Allocation and Price Regulations issued January 14, 1974, provided for a comprehensive set of controls covering both the allocation and pricing of petroleum products at all levels of the petroleum industry. These regulatory programs were established to deal with the problems created by the reduction in supplies of petroleum products aggravated by the October 1973 oil embargo, and to preserve to the maximum extent possible during a shortage situation, an economically sound and competitive petroleum industry. They also contain provisions to assure equitable distribution of refined petroleum products at equitable prices. Included among these provisions is the Domestic Crude Oil Entitlements Program, which was created for the purpose of allowing all refiners to share in the benefits of price controlled domestic crude oil production. Under this program, refiners with greater than average access to low-cost domestic crude oil are required to make payments to refiners who use greater than average amounts of more costly domestic and imported crude oil, so that all domestic refiners, in effect, have an equitable share of the limited quantities of low-priced domestic crude oil. Under allocation controls a priority allocation system was established for the distribution of petroleum products.

The allocation and price regulations achieved a substantial measure of success in easing the impact of the October 1973 embargo. Whether the present regulations are needed to ensure equitable prices or adequacy of supply to all users is the subject of the next section, which addresses kerojet fuel supply, demand, and price patterns before and during controls.

Current Conditions

During the shortage that occurred as a result of the embargo imposed in October 1973, the allocation and price regulations achieved a substantial measure of success in easing the impact of the shortage. However, there are clear indications at this time--and have been for more than four years--that adequate supplies are available and controls are no longer needed. During 1976, the Federal Energy Administration was able to make the necessary findings to support the exemption from regulation for several categories of petroleum products including residual fuel oil (effective June 1), middle distillates (effective July 1), naphthas, gas oils, and other specialty products (effective September 1), and naphtha base jet fuel (effective October 1). Most recently, the DOE and the Federal Energy Regulatory Commission have held hearings on Findings to exempt motor gasoline from controls. Furthermore, the Energy Conservation and Production Act, P.L. 94-385, enacted on August 14, 1976, exempted stripper well crude oil production from the price regulations.

DEMAND

The demand for kerojet fuel (see Figure III-1) increased between 1968 to 1973 at an average annual rate of about 7 percent. The oil embargo interrupted this trend, reducing total 1974 demand by 8 percent from 1973. However, demand in 1975 increased by 3 percent over 1974 and recovered to a level almost comparable to 1972. It held this level throughout 1976, but increased by 5.3 percent during 1977, and 3.6 percent during the first six months of 1978. The greatest demand occurred in Petroleum Administration for Defense (PAD) District I. Next, in order of declining demand, were PAD Districts V, II, III, and IV (see Figures III-1 and III-2). Demand by use is demonstrated in Figure III-3 and Table III-5.

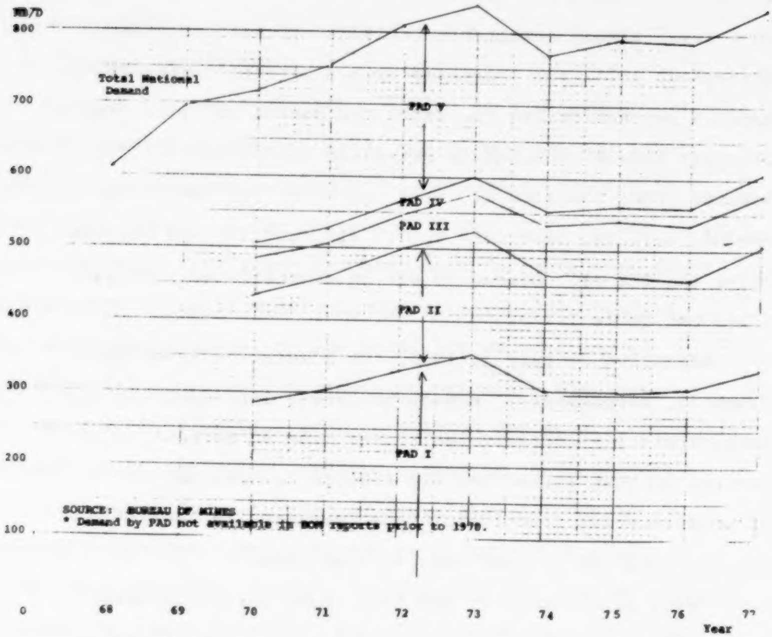
Effective January 1, 1975, the allocation level for domestic, supplemental, scheduled cargo, international and intra-state air carriers was raised from 95 percent to 100 percent of base period use (as reduced by application of an allocation fraction). Local service and "other" air carriers had already been at that level.

Tying allocations to the 1972 "base period" however, has not been and is not a limiting factor. DOE allocation regulations Section 211.145(b) provide that the base period allocations for airlines may be adjusted on the basis of changed circumstances. Such adjustments have, in general, updated allocation entitlements to the point where they are in phase with demand.

As to other kinds of wholesale purchasers, amendments to the Mandatory Petroleum Allocation Regulations (41 F.R. 49627, November 10, 1976) conformed allocation levels to changing supply patterns for fixed base operators and certain

FIGURE III-1

DEMAND FOR KEROJET FUEL, 1968-1977*



SOURCE: BUREAU OF MINES
* Demand by PAD not available in BOM reports prior to 1970.

FIGURE III-2

PETROLEUM ADMINISTRATION FOR DEFENSE (PAD) DISTRICTS

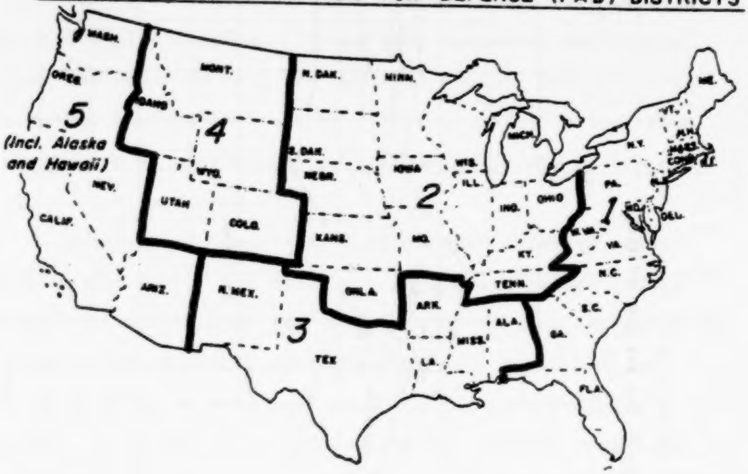
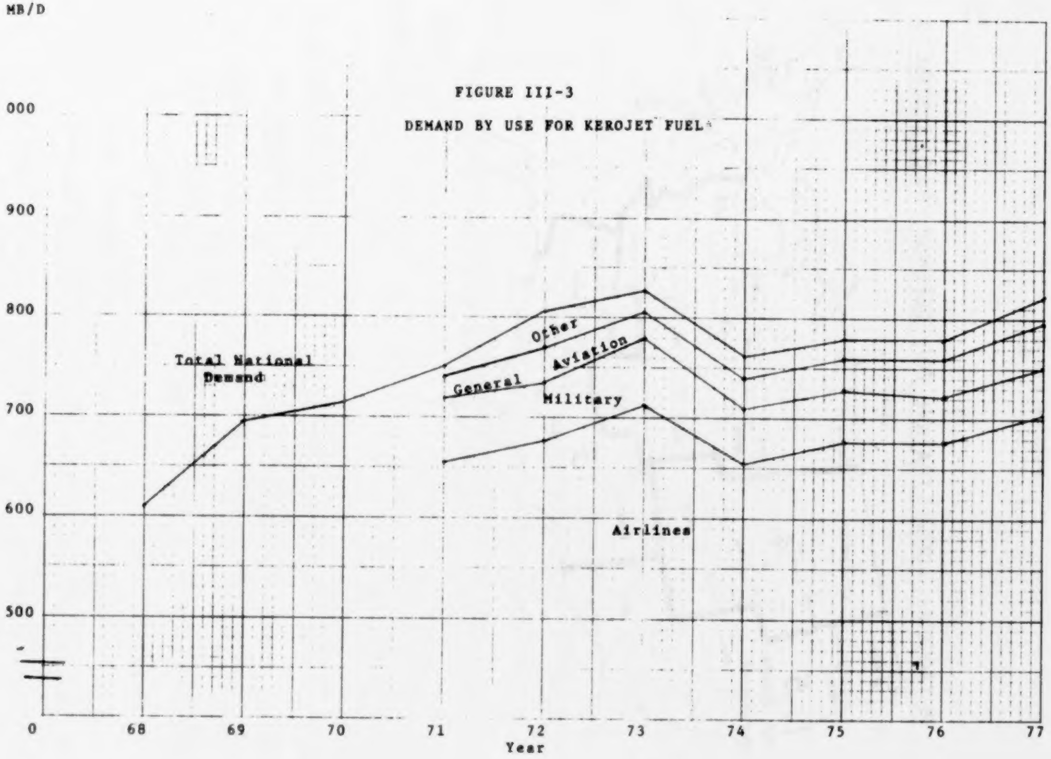

WASH.
OREG.
IDAHO
MONT.
N. DAK.
MINN.
ME.
5
(Incl. Alaska and Hawaii)
4
S. DAK.
WYO.
NEBR.
IOWA
WIS.
MICH.
N.Y.
VT.
N.H.
MASS.
CONN.
R.I.
NEV.
UTAH
COLO.
ILL.
2
IND.
OHIO
PA.
1
N.J.
MD.
DEL.
CALIF.
KANS.
MO.
W. VA.
VA.
KY.
N.C.
TENN.
OKLA.
ARIZ.
N. MEX.
ARK.
ALA.
S.C.
3
MISS.
GA.
TEX.
LA.
FLA.

FIGURE III-3

DEMAND BY USE FOR KEROJET FUEL



consumers. The amended rule provides that such operators are entitled to 100 percent of current requirements (subject to an allocation fraction) for use in the conduct of an ongoing business of selling aviation fuels to consumers. Certain traditional customers of fixed base operators and others that use aviation fuel for business flying, public aviation, personal flying, instructional flying and air travel club flying are also eligible for allocation levels of 100 percent of current requirements.

A number of conservation steps were taken to reduce demand for fuel. Air traffic procedures were amended to reduce delays both in the air and with engines idling on the airport. More direct routings have been developed and holding patterns have been moved to the more fuel-efficient higher altitudes. Airlines agreed to schedule reductions that increased aircraft load factors. Cruising speeds were reduced for maximum economy. As a result, the FAA estimates that revenue ton miles per gallon increased 19 percent between 1973 and 1976 for both airlines and general aviation. FAA estimates that it is possible, although problematical, that a small additional improvement can be achieved in the next four years.

Airline Demand

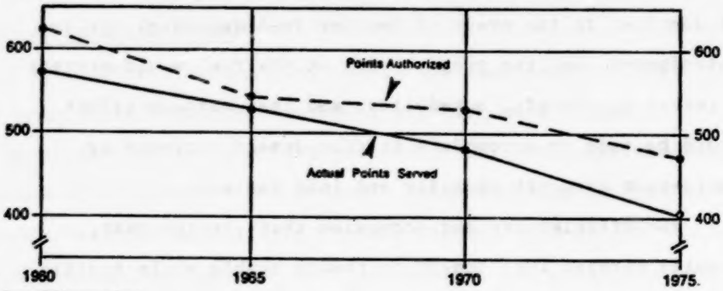
As a result of these savings, airline demand for kerojet fuel was at approximately the same level at the beginning of 1977 as it was at the beginning of 1973 while RTM increased 68.3 percent during the same period. Thus RTM demand has remained strong despite a 32.6 percent airline ticket price increase during the same four year period. Toward the latter half of 1977 and throughout the first half of 1978, a large number of varied promotional discount fares were offered to the public by the airline industry. As a result, RTM demand was up 7.4 percent in 1977 and 11-1/2 percent in the first half of 1978. (Source CAB, ATA.) This trend will undoubtedly continue, as fares have become increasingly competitive in recent months.

The airlines have also adjusted schedules for purposes of increasing passenger load factors. They have discontinued service to a number of low-yield markets. This development is part of a trend that began in 1960. As shown in Figure III-4, fewer than 400 points were served in the coterminous 48 states. This trend continues today.

Probably the greatest reduction in airline demand for kerojet fuel was caused by a virtual elimination of competitive scheduling caused by "share of the market" conflicts among competing airlines. The airlines believed that a prospective passenger would select for his proposed trip the airline that operated the greatest number of flights between him and his destination. When one airline desired to increase its share of a market, it would thus increase the number of flights between those points, thereby increasing the number of empty seats, decreasing the passenger load factor, and increasing the cost and amount of fuel consumed per passenger. Competing airlines felt compelled to follow

FIGURE III-4

Points Receiving Passenger Service by Certificated Air Carriers



Source: Civil Aeronautics Board

suit. Beginning December 24, 1974, with the Civil Aeronautics Board acting as moderator and observer, competing airlines met and agreed to proportionate schedule reductions that would retain the market share of each airline. These meetings are no longer held due to objections from the U.S. Department of Justice. In the event of kerojet fuel decontrol, it is anticipated that the present cost of the fuel would prevent a return to wasteful scheduling, and that maximum effort would be made to accomodate traffic demand increase by increasing aircraft capacity and load factors.

The efficiencies and economies that, in the past, enabled kerojet fuel demand to remain stable while traffic increased should be somewhat less effective in restraining total kerojet demand in the future. The substantially increased competition in the airline industry that is resulting from recent amendment to the Federal Avaiation Act and changes in CAB regulatory policy will result in increased traffic demand and cause a commensurate increase in kerojet fuel demand. This increase will likely be offset only partially by the continuation of fuel economics resulting from the gradual modernization of the airline fleet from the less fuel-efficient older aircraft (such as B-707, DC-8) to the newer aircraft (such as B-747, DC-10) with a better RTM per gallon ration, as will be explained in more detail in Chapter IV.

Military Demand

Military demand has not been constrained by allocation regulations because allocations are made to the Department of Defense on the basis of 100 percent of current requirements, not subject to an allocation fraction.

General Aviation Demand

Agricultural allocations are at the same level as DOD. The many other segments of general aviation were raised to an allocation level of 100 percent of current requirements, reduced by an allocation fraction. These segments had previously been set at different levels ranging from 100 to 75 percent of base period use. In general, the present allocation levels meet the demand.

The overall effect of these situations caused by DOE regu-ations is that most Fixed Base Operators have been able to gain sufficient adjustments to their allocations to accommodate demand. General aviation activity has been at a stable level, except at the top end, which includes business and corporate aviation activity, where a steady growth has been maintained. These top end segments of general aviation have been less affected by fuel price increases and strong inflation in aircraft and equipment prices. Business and corporate aviation operate nearly all of the non-airline turbine-engined aircraft in civil aviation. As a result, general aviation demand for kerojet fuel has been steadily increasing both in absolute terms (up 18.4 percent in 1977 over 1976) and also as a percentage of total general aviation fuel consumption (up to 60 percent in 1977 from 53 percent in 1976).

The primary cause of changed general aviation demand patterns has been the introduction of turbine-engined aircraft into areas where little or no kerojet fuel was consumed during the base period.

Non-Aviation Demand

Demand for kerojet fuel from non-aviation uses comes primarily from electric utilities which use it for peaking. Under DOE regulations, such use is limited to base period volumes. Under 10 CFR 211.146(e), it is further limited to preclude use if the utility continues service to interruptible non-priority industrial users or to any customer who can use a fuel other than aviation fuel. In the event of kerojet deregulation, it is not anticipated that non-aviation uses would expand to a significant percentage of overall kerojet consumption.

SUPPLY

Domestic production of kerojet fuel has more than kept pace with the growth in consumption during the 1968 to 1977 period. Domestic production increased from 530,099 barrels per day in 1968 to 730,530 barrels per day in 1976 and 788,142 barrels per day in 1977. Table III-1 compares the domestic production of kerojet with historic domestic production trends of all refined products.

During the same period, end-of-year stocks increased at an average annual rate of about 8 percent (see Table III-2),

TABLE III-1

DOMESTIC PRODUCTION OF REFINED PRODUCTS
AT REFINERIES FOR 1968-1978
(Thousands of barrels/day)

	Motor Gasoline	Distillate Fuel Oil*	Residual Fuel Oil	Naphtha Jet	Kero Jet	Other** Products	Total All Products
1968	5,212	2,300	756	333	530	2,001	11,132
1969	5,468	2,340	729	287	594	2,062	11,480
1970	5,699	2,454	705	230	597	2,222	11,907
1971	5,971	2,495	752	233	601	2,245	12,297
1972	6,281	2,630	799	210	636	2,149	12,706
1973	6,527	2,820	971	181	679	2,463	13,641
1974	6,358	2,668	1,071	195	641	2,362	13,294
1975	6,518	2,653	1,235	180	691	2,174	13,452
1976							
I Qtr	6,470	2,826	1,373	166	745	2,176	13,756
II Qtr	6,880	2,759	1,260	194	707	2,403	14,204
III Qtr	7,067	2,963	1,306	198	757	2,136	14,427
IV Qtr	6,931	3,144	1,568	190	712	2,357	14,903
Average	6,838	2,924	1,377	187	731	2,268	14,323
1977							
I Qtr	6,872	3,419	1,852	948]			
II Qtr	7,021	3,108	1,691	989]	includes both Kerojet		
III Qtr	7,167	3,259	1,702	994]	and Naphtha Jet Fuels		
IV Qtr	7,067	3,315	1,744	967]			
Average	7,033	3,272	1,746	974]			
1978							
I Qtr	6,771	2,997	1,810	963]			
II Qtr	6,980	3,085	1,594	986]	includes both Kerojet		
III Qtr	7,360	3,194	1,629	963]	and Naphtha Jet Fuels		
October	7,057	3,353	1,606	937]			
Average (Year to date)	7,042	3,120	1,670	967]			

* Excludes Kerosene
** Includes Kerosene

Source: Department of Energy, Monthly Energy Review, December 1978.

TABLE III-2

AVERAGE DAILY KEROJET DEMAND AND STOCKS AT END OF YEAR

	Demand (000 BBL/Day)	Stocks (000 BBLS)	Number of Days of Supply
1968	609	15,373	25.2
1969	694	19,517	28.1
1970	718	20,989	29.2
1971	751	20,747	27.6
1972	803	19,346	24.1
1973	842	22,945	27.3
1974	771	23,906	31.0
1975	791	25,158	31.8
1976	788	25,590	32.4
1977	832	28,283	34.7
1978 (first half)	838	31,427	37.5*

SOURCE: BOM

* Stocks are normally lower in December than September. Therefore a forecast for the end of 1978 is 34.0 days' supply.

increasing the number of days supply of kerojet fuel from 25.2 days at the end of 1968 to 37.5 days in July 1978. Despite the increase in stock levels over this period, post-embargo stock levels are probably not required to be as high as earlier levels since utilization of increased refinery capacity provides a larger refining capability margin than existed in 1970 and 1971. This larger margin would be useful in accommodating any demand surges, with stocks meeting the initial part of the surge while refinery runs are being increased. Nonetheless, largely due to the small number of kerojet refiners and the complex distribution network, there may continue to be occasional temporary local shortages.

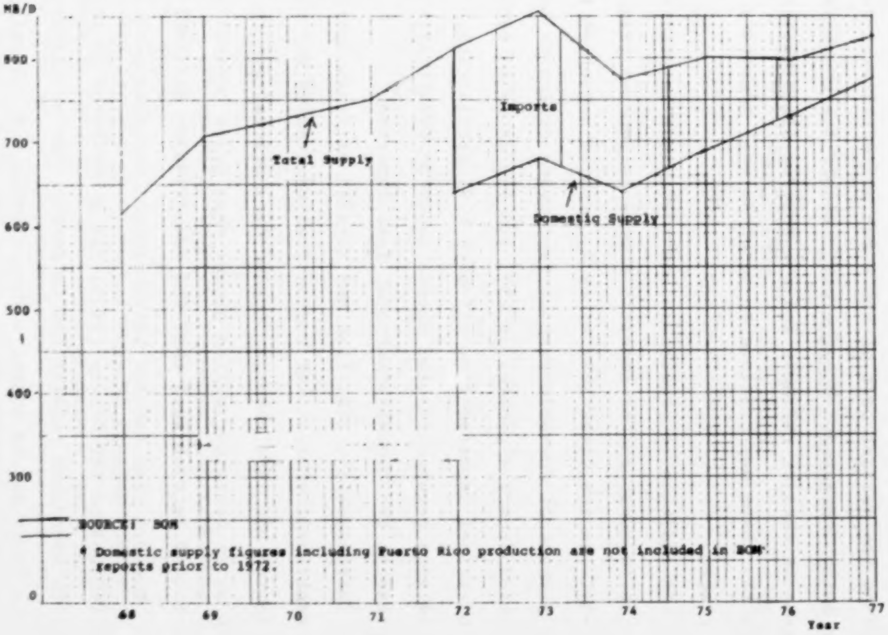
In addition to production and the change in stocks, the third component of domestic supply is imports (Figure III-5). In the first half of 1978, imports accounted for 8.0 percent of domestic kerojet fuel needs (which is an increase from 6.4 percent in 1977 and 7.8 in 1976) excluding kerojet fuel imported from offshore U.S. territories. The difference between the two curves shown in Figure III-5 represents the amount of kerojet fuel imported.

Historically, U.S. flag and foreign airlines operating international routes used bonded fuel because it was cheaper. Following the 1973 embargo, bonded fuel prices rose to as much as 11 cents per gallon higher than price controlled non-bonded kerojet fuel that was domestically available.

The U.S. and foreign international airlines petitioned the Federal Energy Office (FEO), the predecessor to the FEA, to amend its regulations to permit them an allocation of the lower priced domestic fuel. Under U.S. bilateral agreements foreign carriers have the legal right to purchase U.S. domestic fuel, but did not receive a guaranteed allocation as did the U.S. carriers under the FEO mandatory allocation program. Second, FEO regulations issued January 14, 1974, exempted from price controls nonbonded fuel uplifted

FIGURE III-5

KEROJET FUEL SUPPLY, 1968-1977*



SOURCE: BOM

* Domestic supply figures including Puerto Rico production are not included in BOM reports prior to 1972.

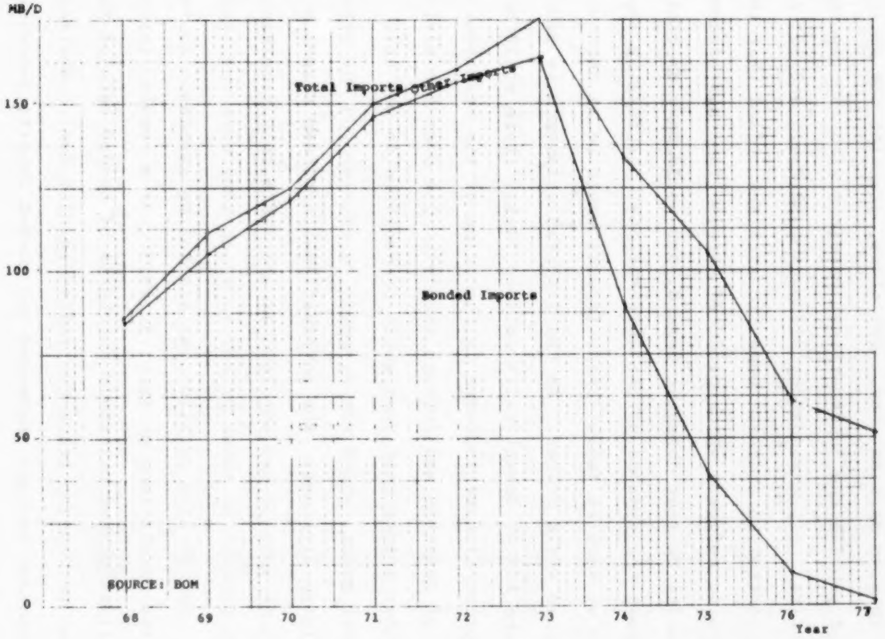
for foreign destinations. Therefore, granting the petition would provide the international carriers with two important benefits: (1) a mandatory allocation of fuel, and (2) at FEO controlled prices. Domestic airlines argued that those domestic refiners which produced kerojet fuel had adequate capacity to meet domestic demand, but would have to continue to meet the demands of the international airlines by importation of kerojet fuel. These imports would be at uncontrolled world prices. As the imported volumes were added to the mix of domestically-refined fuels, there would be a proportionate increase in the price of the resultant mix of domestic and foreign kerojet. The domestic airlines further argued that they would be required to pay this higher price, which would amount to subsidizing the international airlines. The international airlines responded that no subsidy was involved as they were only receiving that product at those prices to which they were entitled.

The airline petition was granted by amendment to Part 211 of FEA regulations on April 8, 1974. As a result, international airlines phased out their purchases of bonded kerojet fuel and began purchasing price-controlled kerojet fuel. Whereas non-bonded imports increased and bonded imports decreased, total imports decreased (Figure III-6).

Some foreign airlines continued to use bonded kerojet fuel, but this use has dwindled from over 90 percent of total kerojet fuel imports from 1968 to 1973, to 67 percent

FIGURE III- 6

IMPORTS OF KEROJET FUEL



SOURCE: BOM

in 1974, and 4 percent in 1977, as international airlines were given access to lower cost domestic kerojet fuel. Currently, the only bonded fuel uplifted in the U.S. on a regular basis is that used by four Eastern Block nations serving JFK airport: Russia, Poland, Czechoslovakia, and Romania. One reason for the continued use of the bonded Jet A-1 fuel by these nations is due to a mechanical difference in many of their aircraft engines which requires the lower freezing point of Jet-A-1 fuel (-58 degrees) rather than the -40 degrees freezing point of domestic Jet A fuel. The deregulation of kerojet fuel should not have any appreciable effect on this situation. Under the various bilateral agreements between the United States and other countries, international airlines are required to be given fair and equal opportunity to compete with domestic airlines. The international airlines are expected to continue purchasing domestic kerojet fuel as long as it is cheaper than bonded fuel.

During the Embargo, in the fall of 1973, the airlines were receiving as little as 70 to 75 percent of current needs. The airlines' primary supply problem was caused not as much by the low allocation level as by the wide fluctuations in the allocation fractions maintained from month-to-month by the various suppliers. One of the factors causing these fluctuations was the refiners' reaction to public concern over the image of long lines at automotive gasoline stations, which resulted in sporadic efforts to maximize gasoline production.

The airlines claimed that they could adjust to nearly any allocation level if they had to, but they characteristically needed to plan many months in advance and needed an assured stability of supply at some level. As a result, the FEO issued "two orders for an increase in the refinery yield of kerosene base jet fuel on February 20 and April 10, 1974. This was unpopular with certain of the refiners who were regular suppliers of kerojet fuel. They claimed that they were already approaching the maximum yield of kerojet fuel of 13 or 14 percent and were already into the area where expensive and wasteful secondary refinery operations were required.

On March 25, 1974, FEO ordered all kerojet refiners to maintain an allocation fraction of 1.0. Although this lacked the force of formal rulemaking, it has been generally observed by the industry. Its advantage was that it met the airline need for a predictable supply, but allowed the refiners flexibility as to whether to meet this supply obligation through increased refinery yield, exchanges with other refiners, imports, or other means.

The result has been that those refiners which produce kerojet fuel have been regularly meeting demand without major problems outside of occasional local shortages. These refiners, however, have maintained kerojet production near a peak refinery yield percentage and have resorted to imports for about 7 percent of supply. Any increase in demand in the future would be met either by increased imports or by the entry into the kerojet market of domestic refiners who are not presently in that market. The supply situation is thus in close balance with demand, which has caused occasional local shortages as demand or supply patterns change.

Primarily at the urging of the other NATO nations, the Department of Defense is studying the feasibility of using kerosene-base JP-8 fuel in place of naphtha-base JP-4. NATO's primary interest is in use of a common fuel by all NATO aircraft. DOD's additional interest is based on the lesser volatility of JP-8 as compared to JP-4. If this switch were made, there would be a 22 percent increase in demand for kerosene-base jet fuel with a corresponding decrease in demand for naphtha jet fuel. A sudden increase in demand of this magnitude could cause severe competition for that narrow cut of the barrel of crude oil from which kerojet fuel is refined, with a potential for supply disruption. However, the increase in demand, if it does occur, will be gradual rather than sudden. If DOD does elect to switch there would be no significant impact before the end of 1980 because present tactical military aircraft would require modification before being able to use JP-8. New military aircraft designed to use JP-8 would phase in slowly. Moreover, DOD's first conversion efforts would be concentrated in the NATO nations using local kerojet supplies. Conversion efforts in the USA would not begin until about two years thereafter. This gradual increase should allow the refining industry ample opportunity to make the necessary modifications and expansions that would increase supply accordingly.

PRICE TRENDS

This section traces kerojet fuel price trends for the period 1968-1978. Prices remained relatively stable during Phases I through III of controls. Phase IV controls (beginning on August 19, 1973), however, were ineffective in counteracting the "cost-push" forces that were causing prices to spiral. The controls were limited in their impact on price because they permitted product cost pass-through as required by law at a time when imported crude oil was increasing as a proportion of all crude used, and at a time when its price was rising rapidly.

As indicated in Table III-3, kerojet fuel prices for both the airlines and the military averaged approximately 11 cents per gallon over the six year period 1968-1973. However, beginning in 1974 and continuing through 1975, a disparity occurred between airline and military kerojet fuel prices. This disparity occurred because airlines purchased up to 85 percent of their kerojet fuel under pre-embargo long-term contracts while the military purchased on a 6-month cycle. However, these airline contracts have now expired, and airline and military prices again average within 1/2 cent of each other.

Until 1973, the Defense Fuel Supply Center was able to procure adequate supplies of kerojet fuel for domestic requirements through formal advertising. After early 1973, however, the DFSC was unable to procure sufficient supplies of kerojet fuel from its traditional suppliers because of fuel shortages,

TABLE III-3

KEROJET AVERAGE WEIGHTED DOMESTIC PRICE (CENTS PER GALLON)

YEAR	AIRLINES	DFSC	REFINER COST OF CRUDE OIL
1968	10.1	10.5	7.5
1969	10.7	11.3	7.8
1970	11.1	11.2	8.1
1971	11.6	10.7	8.6
1972	11.6	10.6	8.5
1973	12.6	10.9	9.9
1974	21.9	26.1	21.6
1975	27.6	29.7	24.7
1976	32.7	33.1	25.9
1977	37.4	37.2	28.4
1978(first half)	38.6	39.0	29.2

SOURCE: CAB, DFSC, DOE

uncertainties in the crude oil market, and government price controls.

As a result, the Defense Production Act of 1950 (DPA) as amended, was invoked in late 1973 to require oil companies to supply petroleum products, including kerojet fuel, for the Government's needs. The DPA authorizes the President to require acceptance and performance of defense contracts or orders, in preference to others, by any person he finds capable of their performance in order to maintain national security.

Under the EPAA, FEA designated the firms that would supply fuel to the Department of Defense, generally on the basis of 1972 supplier-purchaser relationships. The allocation system, by further discouraging competitive procurements, had an additional impact on the prices paid by the Department of Defense for kerojet fuel. Despite price controls, the average cost for a gallon of fuel almost tripled as the cost of crude oil feedstocks to domestic refineries rose (see Table III-3).

Retail kerojet prices paid by the various general aviation segments of civil aviation vary widely, as was evidenced by a May 1977 FEA survey which showed retail prices to this segment ranging from a low of 55 cents per gallon to 83 cents per gallon. Historical average retail prices for this aviation segment are difficult to determine because of varying transportation costs and sales volumes, the presence or absence of competition, differing state taxes, local fees, and the amount of service given to purchasers. The results of studies conducted by Aviation Data Service, National Air Transportation Associations, and the DOE are shown in Table III-4.

The retail price of kerojet fuel sold through retail outlets (Fixed Base Operators) averaged 69.67 cents per gallon in May 1977. This was an increase of 2.6 cents per gallon, or 3.9 percent, from the preceding two years. The average price, including applicable State and Federal taxes varied regionally as follows:

Northeast	73.5 cents	Southeast	71.0 cents
North Central	67.5 "	South Central	67.0 "
Northwest	72.0 "	Southwest	67.0 "

SOURCE: DOE and National Air Transportation Associations

The more than 200 percent increase in airline kerojet price with essentially constant demand from 1973 to 1977 demonstrates that kerojet is an essential product, particularly for commercial airlines, and demand for which has been largely price-inelastic.

The difference between international and domestic kerojet prices paid by airlines narrowed from about 12 cents per gallon at the end of 1974 to about 4 cents per gallon in mid-1978.

In very general terms, it can be concluded that the international price is uncontrolled and therefore represents a free market price. It should be realized, however, that the international price includes a number of remote

TABLE III-4

HISTORICAL RETAIL KEROJET FUEL PRICE*

Annual Average
(cents per gallon)
1959 - 1975

1959	36.5	1968	37.9
1960	36.9	1969	38.5
1961	37.5	1970	39.0
1962	37.1	1971	41.2
1963	36.7	1972	42.1
1964	35.0	1973	50.0
1965	36.2	1974	61.7
1966	37.6	1975	66.0
1967	38.6		

Source: Aviation Data Service, Inc.

* Study contract ended in 1975 and was not renewed by FAA.

and/or monopolistic foreign airports where the price is very high, raising the average price above the level at which kerojet would sell in an unregulated market in the United States. It should also be remembered that the international price represents absence of control both on the crude oil and on the kerojet product.

MARKET STRUCTURE

Kerojet fuel is used primarily by commercial airlines. In 1977, the airlines accounted for 86 percent of kerojet fuel demand as evidenced in the following table:

TABLE III-5

USERS OF KEROJET 1977

	Thousands of Barrels	Thousands of Barrels Per Day	Percent of Total
Airlines	256,948	679.3	86.0
General Aviation	16,424	45.0	5.5
Aviation Factories	2,113	3.1	.7
Military	16,632	45.0	5.5
Non-Aviation Use	7,324	20.1	2.3
Total	299,441	793.1	100.0

Source: DOE

Large integrated refiners are the major suppliers of kerojet fuel. The capital demands for specialized refining and marketing equipment have tended to restrict entrance to the kerojet market.

During the period 1972 to 1975, large integrated refiners dominated the kerojet market. As shown in Table III-6, in 1975 large integrated refiners accounted for about 92.5 percent of kerojet fuel sales, large independent refiners for about 3.5 percent, and small refiners for 4 percent of the market.

Over the 1972 to 1975 period, Federal regulations and practices appear to have had the effect of permitting small refiners to increase their market share at the expense of the majors and large independents.

Table III-6

REFINER GROUP SHARES OF KEROJET FUEL SALES

Year	Sales (000 bbls)*	Large Integrated Refiners	Large Independent Refiners	Small Refiners
1972	228,619	93.5	4.5	2.0
1973	236,929	93.5	4.0	2.6
1974	241,429	92.5	3.5	4.0
1975 (est)**	250,571	92.5	3.5	4.0

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* Excludes bonded fuel imports and direct imports by the DOD and/or other independent marketers.

** Since 1975, refiners reporting to DOE have been instructed to consolidate reports of sales of naphtha jet and kerojet. 1975 estimates of sales are based on DOE kerojet production reports.

Source: DOE

CHAPTER IV

IMPACT OF DECONTROL ON SUPPLY/DEMAND, PRICE, AND MARKET STRUCTURE

This chapter considers future demand, supply, price, and market structure conditions, and assesses the impact of exempting kerojet fuel from the Mandatory Petroleum Allocation and Price Regulations. It further addresses the questions raised by the EPCA as set forth at the beginning of Chapter III of this report.

To answer these questions, the following analytical approach has been taken:

- Demand forecast -- A demand forecast for kerojet fuel and all refined products was developed through 1980.
- Supply forecast -- The availability of refining capacity and crude supply on both a domestic and worldwide basis to meet forecast demand has been evaluated.
- Pricing forecast -- The price movement pressures arising from foreign market prices, alternate product prices, and the competitive structure of the industry have been assessed.
- Market structure and competition -- Trends that may affect future competition of the major industry segments have been examined.

DEMAND FORECAST

As described in Chapter III, and charted on Table IV-1, domestic demand for kerojet fuel increased from 609,000 B/D in 1968 to 832,000 B/D in 1977 and is estimated at 853,00 B/D in 1978 (extrapolated from six months data).

The airlines will continue to be the dominant users of kerojet. Other uses of kerojet are not expected to have a significant impact on the demand for kerojet fuel.

Demand for air transportation as measured by Revenue Ton Miles* (RTM) increased 9.9 percent in 1976 over 1975, and 7.3% in 1977 over 1976 and is holding at a 12 percent increase into the first seven months of 1978. RTM is forecast to grow at a 6% rate in 1979 and 1980 because the general level of economic activity is not expected to grow as rapidly as it did during the 1975 to 1976 period. However, recent partial deregulation of the airlines could have a stimulating effect on airline traffic at least over the short term through 1980. Some relaxation of current regulations had already been effected by 1977 and appears to be a cause of the increased airline activity during the last quarter of 1977 and the first quarter of 1978. These RTM increases have been reflected in increased kerojet demands.

Legislation to further deregulate airlines became effective on October 24, 1978. It could further accelerate kerojet fuel demand, as new routes are activated. However,

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* Revenue Ton Miles are the tons of paid cargo and passengers multiplied by the miles traveled.

TABLE IV-1

DEMAND FOR KEROJET FUEL
(MB/D)

1968	609
1979	694
1970	718
1971	751
1972	803
1973	842
1974	771
1975	791
1976	789
1977	832
1978*	853
1979**	883
1980**	918

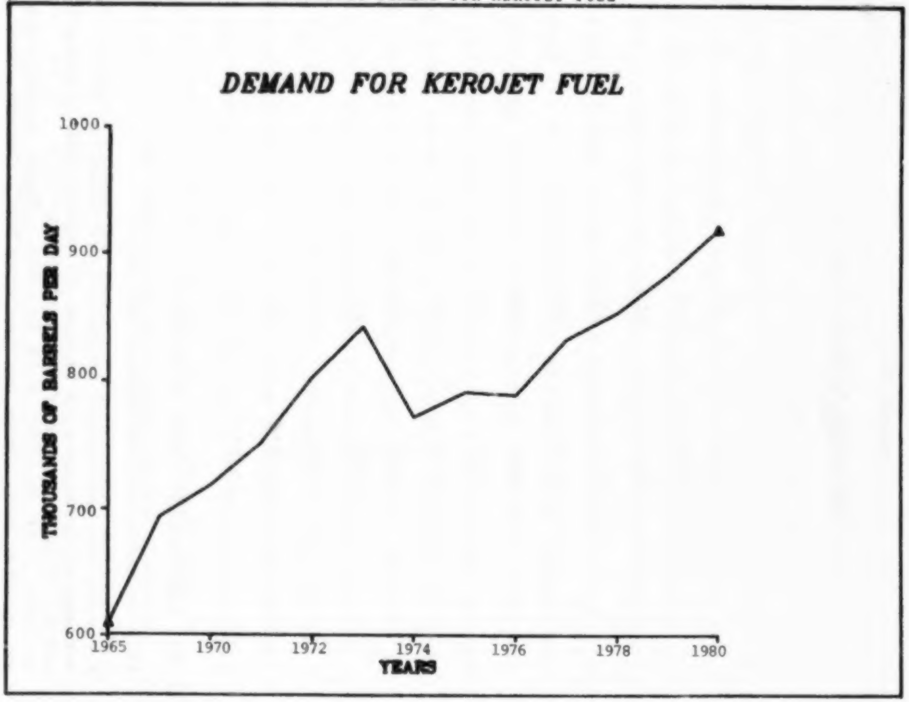
Source: 1968 to 1977 data from BOM

* 1978 is based on preliminary BOM Data

** Forecast kerojet demand increases are based on the average of forecasts by Federal Aviation Administration and Air Transport Association of America i.e., 3.5% in 1978, 3.5% in 1979, 4.0% in 1980. These projections are greater than those derived from DOE's Demand Model which extrapolates the historical relationship between Kerojet fuel demand, revenue ton miles, and real national income over the period 1970-1976.

FIGURE IV-1

DOMESTIC DEMAND FOR KEROJET FUEL



some routes may also be abandoned. Thus, as this new competitive and economic climate for the airlines is emerging, a degree of uncertainty will exist with respect to kerojet forecast until a new pattern of airline service is established.

Aircraft orders indicate the airlines expect increases in demand for air transportation. They ordered 102 aircraft in 1976 and 116 in 1977, as compared with 29 during 1975. Scheduled aircraft deliveries were 76 in 1978, and are 126 and 140 in 1979 and 1980 respectively. Most of these new aircraft will represent new capacity. Proposed noise regulations that would have caused some older aircraft to be retired did not emerge from the 95th Congress.

Not all of the growth in RTM demand will be transmitted into demand for kerojet fuel, which increased 3.7 percent in the first six months of 1978 and is projected to increase at a rate of 3.5 percent in 1979 and 4 percent in 1980.* Between mid 1977 and mid 1978 the average load factor for trunk airlines increased from 57 to nearly 63 percent. Airlines have been adding to the number of seats in existing aircraft. Aircraft utilization has been improved. Thus, much of the RTM increase has been absorbed without causing the type of increase in kerojet fuel demand that would occur from handling this traffic with new flights. RTM demand, however, is forecast to remain so strong that many of the older aircraft retired by major airlines will be put in operation by new or expanding local service airlines, cargo airlines, or charter airlines. The Federal Aviation Administration has stated that the future capacity of the airline industry to absorb fuel price increases by means of efficiencies and load factor increases will not nearly match the 1974 - 1977 period.[1] It thus appears that for the period through 1980 there will be a more direct relationship between traffic demand and fuel demand.

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* Air Transport Ass'n., Airline Fuel Forecast
Federal Aviation Admin. Aviation Forecast 1979-1980.

There are practical limits to the maximum sustainable load factors on a system-wide basis for any airline. A local service airline flight with five stops, having heavy reservations between stops four and five, may have to fly the first four legs with light loads. One airline aircraft, carrying a 100 percent load factor at 8 A.M. from New York to Chicago, may have to fly lighter loads the rest of the day before it is in a position for another 100 percent load factor between the same two points at 5 P.M. The practical maximum load factor is higher for trunk air carriers than it is for local service airlines. The CAB load factor "standard" is presently 55 percent.[2] CAB is presently reviewing this standard to determine whether a higher one should be established. FAA forecasts that the average airline load factor will gradually rise from 55 to 60 percent by the 1980s with a peak at 63 percent during 1978. Presently, there is very little margin between the break-even load factor and the maximum practicable load factor. However, the leverage is immense, and the profitability to be gained from small increments of load factor above the break even point are large. For this reason, airline profitability has been excellent for the past two years and is forecast to remain good through 1980.

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[1] FAA Report to the Congress on Aviation Energy Savings.

[2] CAB Report to the Congress on Savings in Energy Consumption by Air Carriers.

As noted above, demand for kerojet fuel will increase at an annual growth rate between 3.5 and 4 percent through 1980. Such moderate and evenly phased increases in kerojet fuel demand are within the overall capacity of the domestic petroleum industry and should result in no supply shortages or increases of imports beyond current levels. It is possible, however, that such increases could cause refiners who do not produce kerojet to enter that market, because many current kerojet producers could not increase their present volume of kerojet production. Alternatively, more sophisticated and costly refining by present refiners would be required to meet forecast kerojet demand increases. One major refiner not currently marketing kerojet testified at the ERA hearing it would enter into kerojet production if kerojet were decontrolled. Kerojet fuel demand in relationship to overall petroleum product demand is shown in Table IV - 2.

SUPPLY FORECAST

To assess the adequacy of petroleum product supplies relative to forecast demand, the key supply determinants

TABLE IV-2

PROJECTED DOMESTIC PETROLEUM PRODUCT DEMAND
(Thousands of barrels per day)

	1977	1978*	1979*	1980*
Kerojet Fuel	835	853	883	918
Other Products	17,583	17,800	19,000	20,000
Total Domestic Demand	18,418	18,700	19,900	20,900
Exports & Crude Oil Losses	259	200	200	200
Total Demand	18,677	18,900	20,100	21,100

* Projections are rounded to the nearest 100,000.

NOTE: Numbers may not sum to totals because of rounding.

SOURCE: Data for 1977 is actual demand as reported in the Monthly Energy Review and 1978 is preliminary actual data. Demand projections for 1979 and 1980 are derived from EIA's Analysis Memorandum DOE/EIA-012/20 based on macroeconomic forecasts by Data Resources, Inc. (DRI's CONTROL0727 macroeconomic simulation). Kerojet demand projections are prepared by the Economic Regulatory Administration, based on forecasts by the Federal Aviation Administration and the Air Transport Association of America. Since ERA forecasts for aviation turbine fuel demand differs slightly from those produced from EIA's Short Term Petroleum Demand Forecasting Model, the difference is reconciled by modifying the EIA forecast for "Other Products" to stay consistent with the Total Demand derived from the STPDFM.

of refinery capacity, refinery yields and crude oil supply, were analyzed (Table IV-3). It was determined that the supply of kerojet fuel is expected to be adequate to meet the overall industry demand for kerojet fuel. However, spot shortages resulting from distribution problems could occur in the future as they have in the past.

Refinery Capacity

An analysis of petroleum supplies in Table IV-3 shows that total average annual petroleum product demand for 1980 cannot be met without increased domestic refining capacity or increased capacity utilization, and will cause increases in product imports. Domestic refinery capacity is projected to increase by over 1,700 MB/D from 1977 to 1980, while the increase in total petroleum demand is projected to be about 2,400 MB/D. The supply balance presented in Table IV-3 assumes a refiner capacity utilization in 1979 and 1980 of 90.0 percent (based on crude oil inputs only). At this utilization rate imports will have to increase by about 900 MB/D in 1980 above the 1977 level. The assumed 1979 and 1980 capacity utilization rates are comparable to those achieved in recent years (Table IV-4).

Continued operation of domestic capacity at the assumed rate of 90.0 percent for 1979 and 1980 with no change in the kerojet yield would satisfy almost all of the projected kerojet demand, with the balance satisfied by imports (Table IV-5). Thus, no significant increases in imports of kerojet fuel from current levels need to be expected.

TABLE IV-3

ANALYSIS OF U.S. PETROLEUM SUPPLY
(MB/D)

	1977	1978****	1979	1980
Refinery Capacity*	16,388	17,200	17,700	18,100
Percent Utilization**	89.1%	88.0%	90.0%	90.0%
Anticipated Utilization	14,608	15,100	15,900	16,300
Product Imports	2,176	2,000	2,500	3,100
Natural Gas Liquids	1,618	1,600	1,500	1,500
Other***	275	200	200	200
Total Supply	18,677	18,900	20,100	21,100

*DOE's "Trends and Refinery Capacity and Utilization," September 1978. Estimates do not include Puerto Rico and Virgin Islands, which contribute approximately 1 million barrels per day additional capacity but whose product shipments to the U.S. are considered as imports.

**Based on crude inputs only.

***Includes processing gain, other hydrocarbon inputs, stock change and unaccounted-for crude oil.

****Preliminary actual.

NOTE: Numbers may not sum to totals because of rounding. Percentages based on unrounded numbers.

TABLE IV-4

DOMESTIC REFINERY CAPACITY UTILIZATION

Year	Crude Oil Input as a Percent of Capacity
1968	90.6
1969	90.6
1970	88.6
1971	87.2
1972	88.4
1973	89.8
1974	83.9
1975	84.2
1976	87.0
1977	89.1
1978	88.0 preliminary
1979	90.0 projected
1980	90.0 projected

SOURCE: U.S. Bureau of Mines, 1968-1973. DOE 1974-1980.

TABLE IV-5

PROJECTED KEROJET PRODUCTION AND SUPPLY, 1977-1980
(MB/D)

	1977	1978	1979	1980
Projected U.S. Refinery Capacity	16,755	17,200	17,700	18,100
Projected Utilization	89.1%	88.0%	90.0%	90.0%
Estimated Domestic Refinery Production	14,608	15,100	15,900	16,300
Kerojet Fuel Yield	5.4%	5.4%	5.4%	5.4%
Estimated Domestic Kerojet Fuel Production	782*	815	859	880
Kerojet Fuel Imports	+ 50*	+ 38	+ 24	+ 38
Total Supply	832	853	883	918

NOTE: Total may not add due to rounding. Percentages based on unrounded numbers.

* Excludes production used to build up stock. Total 1977 production was 792 MB/D.

In general, percentage yields of kerojet fuel could increase slightly to meet domestic demand, or decrease slightly without a major change in imports, since the projected expansion of domestic refining capacity is sufficient to offset the rise in kerojet demand. Some slight shifts in product yields are likely, depending on specific demand developments conditioned by weather characteristics and other factors. These shifts in production have been demonstrated historically and are clearly within the range of industry capability. In fact, new technology in refining allows more flexibility in the yield mixes of new refineries than was possible in the past. No refinery yield problems are foreseen for the forecast period.

Availability of Crude Oil

Supply projections based on high domestic supply and high conservation assumptions indicate that increasing amounts of imported crude oil will be refined domestically. Crude oil imports have been and are projected to be at the following levels (in MB/D).

1975	4,105
1976	5,287
1977	6,548
1978	6,000
1979	6,700
1980	7,600

If there were no major supply interruptions worldwide, sufficient production capacity would be available in foreign countries to meet an increased demand for crude oil imports. The September 1978 crude oil shut-in production in the major exporting countries amounted to 14.6 percent of total production capacity (Table IV-6). While 13 OPEC countries, Canada, and Mexico together had a total theoretical production capacity in excess of 40.4 MMB/D in September 1978, they produced only 34.5 MMB/D. These countries are thus theoretically capable of producing an additional 5.9 MMB/D, provided that such a level of demand exists and that incentives exist for expanding production. Up to 3.5 MMB/D of this excess production capacity has been utilized to offset most of the recent termination of exports from Iran. The remainder is being met by the drawdown of currently abundant stocks. A return of Iranian exports to even half of their previous level, which is the minimum that is expected, should eliminate any need to draw down inventories below normal levels.

Thus, with or without controls, the crude oil supply is expected to be adequate to meet demand for kerojet fuel through 1980. If Iranian imports should remain at zero for a prolonged period, which is not expected, there could develop some tightness of supply for all refined products on a worldwide basis. It is not expected that such tightness would require the reimposition of controls on any exempted product, however, although the possibility of activating DOE's Standby Petroleum Allocation and Price Regulations (which were issued 44 FR __, January 18, 1979), is always available.

TABLE IV-6

CRUDE OIL PRODUCTION FOR MAJOR PETROLEUM EXPORTING COUNTRIES
(Thousands of barrels per day)

Country	Production							Production Capacity	Production Shut in
	1972 Year	1973 Year	1974 Year	1975 Year	1976 Year	1977 Year	1978 Sept.**	1978 Sept.	1978 Sept.
	Thousands of barrels per day								Percent
Algeria	1,040	1,070	960	960	990	1,040	1,220	1,300	6.2
Iraq	1,465	2,020	1,970	2,260	2,415	2,330	2,900	3,000	3.3
Kuwait*	3,283	3,020	2,545	2,085	2,145	1,970	2,685	3,300	18.6
Libya	2,239	2,175	1,520	1,480	1,935	2,080	2,020	2,300	12.2
Qatar	482	570	520	440	495	430	510	600	15.0
Saudi Arabia*	6,016	7,595	8,480	7,075	8,575	9,200	8,395	10,700	21.6
United Arab Emirates	1,202	1,535	1,660	1,665	1,935	2,010	1,840	2,375	22.5
Subtotal: Arab OPEC	**15,727**	**17,985**	**17,675**	**15,965**	**18,490**	**19,060**	**19,580**	**23,575**	**17.0**
Ecuador	78	210	175	160	185	180	210	225	6.7
Gabon	125	150	200	225	225	230	225	225	—
Indonesia	1,080	1,340	1,375	1,305	1,505	1,680	1,540	1,700	9.5
Iran	5,023	5,860	6,020	5,350	5,885	5,660	6,050	6,500	6.9
Nigeria	1,815	2,055	2,255	1,785	2,070	2,100	2,120	2,300	7.8
Venezuela	3,219	3,365	2,975	2,345	2,295	2,240	2,250	2,600	13.5
Subtotal: Non-Arab OPEC	**11,340**	**12,980**	**13,000**	**11,170**	**12,165**	**12,240**	**12,445**	**13,550**	**8.2**
TOTAL OPEC	**27,067**	**30,965**	**30,675**	**27,135**	**30,655**	**31,100**	**32,005**	**37,125**	**13.8**
Canada	1,540	1,800	1,695	1,460	1,300	1,320	1,260	1,800	30.0
Mexico	440	465	580	720	850	980	1,270	1,500	15.3
TOTAL OPEC, Canada, Mexico	**29,047**	**33,230**	**32,950**	**29,315**	**32,805**	**33,400**	**34,535**	**40,425**	**14.6**
TOTAL WORLD	**50,550**	**55,755**	**55,675**	**52,990**	**57,340**	**59,520**	**62,090**		

*Includes about one-half of the former Kuwait-Saudi Arabia Neutral Zone. Production in September 1978 amounted to approximately 570,000 barrels per day.

**Estimated.

Sources: Central Intelligence Agency, National Foreign Assessment Center, *International Energy Statistical Review*, 1 November 1978, National Energy Board of Canada, and U.S. Department of Energy.

OPEC Countries Crude Oil Production

Foreign Excess Refining Capacity

Worldwide refinery capacity has grown from 36.5 MMB/D in 1973 to 45.8 MMB/D in 1977. Free-world refinery capacity utilization, excluding the U.S., decreased from 74 percent in 1973 to 63 percent in 1976.

Including the refinery construction projects that were underway, foreign refining capacity in the free-world is estimated at 46 MMB/D for mid-1977. Assuming reasonable rates of refinery utilization (77 percent excluding the U.S), there would be enough refining capacity to accommodate a free-world petroleum demand growth rate of about 16 percent per year in the 1975-1980 period Table IV-7). DOE believes that worldwide consumption will not grow at this rate but will continue to grow at a rate closer to the historic three percent rate, so that there would be an excess foreign refining capacity available to meet any anticipated increase in U.S. kerojet import demand.

Price Forecast

Kerojet prices will rise as crude oil costs and refiner nonproduct costs rise whether or not kerojet is exempted from controls. Domestic crude oil costs will rise in accordance with the provisions of EPCA and ECPA.

It is difficult to project the rate of increase in foreign crude oil costs over a number of years, but it is expected that these costs will not decline and will probably continue to rise in the future. Cost increases

TABLE IV-7

FOREIGN REFINING CAPACITY

	1975		1976			1977-1980
	Refining Capacity	Consumption	Refining Capacity	Consumption	1977 Refining Capacity	Refining Additions Planned**
North America (Ex. U.S.A)	2638	2440	2748	N.A.	3035	623
Central America & Caribbean	1781	580	1916	N.A.	1894	288
South America	5120	2220	5014	N.A.	5088	1186
Western Europe	18718	12603	19972	N.A.	20859	3490
Middle East	3281	1607	3285	N.A.	3348	1342
Africa	1083	1027	1328	N.A.	1479	1536
Asiatic Area	9397	7300	9868	N.A.	10076	2055
Grand total (Ex. Sino-Soviet Area)	42018	27777	44132	N.A.	45779	10520

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* As of January 1.

** Estimated from the Oil and Gas Journal, April 25, 1977; "Worldwide Construction." Pages 125-142.

SOURCE: Bureau of Mines, International Petroleum Annuals for 1975-1977 data.

from the rise in OPEC price increases can be reasonably established for 1979, and assumption must be made as to the possibility of further increases in 1980. As the volume and percentage of imported crude oil increases through 1980, the average cost of crude oil to U.S. refiners is assumed to rise at a higher rate than the rate of inflation.

As the volume of higher-priced imported crude oil used in domestic refinery operations increases relative to the volume of domestic price controlled crude oil, the average cost of crude oil to U.S. refiners will rise at a higher rate than the rate of inflation. Projected increases in crude oil costs are shown in Table IV-8. Because the EPAA permits dollar-for-dollar passthrough of increased crude oil costs, continued controls would have no influence on price increases generated by crude oil cost increases.

Under current DOE regulations, refiners can pass through certain nonproduct costs. These costs are projected to increase about one cent per gallon per year.

Assuming that these rising crude oil and nonproduct costs are allocated to all refined products on a percentage of production basis, controlled kerojet price increases will closely follow those of crude oil and refiner nonproduct cost increases since the amount of kerojet imported is relatively small. Projected cumulative increases in crude oil and refiner non-product costs with controls are shown in Table IV-8. From the

TABLE IV-8

PROJECTED COMPOSITE CRUDE COST AND NONPRODUCT COST INCREASES WITH CONTROLS
(cents per gallon)

Year and Qtr.	Cumulative Crude Oil Cost Increase Over 3rd Qtr. 1978 Cost	Cumulative Increase in Refiner Nonproduct Costs	Total Cumulative Increase
1978			
4th	.2	.2	.4
1979			
1st	1.0	.5	1.5
2nd	2.3	.7	3.0
3rd	3.0	1.0	4.0
4th	3.8	1.3	5.1
1980			
1st	5.4	1.5	6.9
2nd	6.1	1.8	7.9
3rd	6.3	2.1	8.4
4th	6.6	2.4	9.0

NOTE:
Nonproduct cost increases are derived by inflating historical refiners' gross margins by the projected GNP implicit price deflator from the Data Resources, Inc. PESSIM00524 macroeconomic simulation. Costs of increased refining capacity is not included. Crude Oil costs include the 14.5 percent 1979 OPEC increase and a 7 percent 1980 OPEC increase, equivalent to the projected U.S. inflation rate.

SOURCE: EIA Short-term Petroleum Cost Distribution Model (11-3-78) fourth quarter 1978 to the fourth quarter 1980, total refiner costs are projected to rise about 9.0 cents.

Five factors have been evaluated in assessing the effect on price movement of kerojet deregulation:

1. Banked Costs
2. Supply/Demand
3. Nature of the Market
4. Alternate Product Value
5. World Price

In this section, the implications for prices due to these factors are assessed, with a focus on how controls exert influence on these factors.

1. Banked Costs

Under current DOE regulations a refiner is permitted to pass through the increases in product costs and non-product costs of products that are under controls, subject to certain constraints. Increased costs not recouped during the month after they are incurred can be carried forward, (i.e., banked) for future use with certain limitations.

Jet fuels have had their own bank only since February 1, 1976, when they became a "special product" in DOE regulations. Previously they had been included in the "general refinery products" category. Both naphtha jet fuel and kerojet fuel were included in the same bank until October 1, 1976, when naphtha jet fuel was decontrolled. Since then historic data on kerojet fuels alone has been available.

Table IV-9 examines the relationship between the aviation jet fuels bank (including kerojet and naphtha jet fuel), and the total bank for the top 30 refiners. In October 1977, the bank for kerojet fuel was $248 million and in October 1978, the bank was $118 million for these 30 refiners, a decrease of $130 million from October 1977 and $33 million from the October 1976 level of $151 million. Banks, or unrecouped costs, are drawn down as costs are recouped in subsequent months. Present pricing regulations permit (but do not require) the allocation of unrecouped kerojet costs to motor gasoline prices. DOE's available information does not reflect the proportion of unrecouped kerojet costs which was passed through to the market in kerojet prices between October 1976 and October 1978, and the proportion of these kerojet costs which was reflected in motor gasoline prices during that period.

In October 1978, two major refiners and four large independents were out of banks. This, and the decreasing size of the aviation jet fuel bank, indicates that there could be a slight upward pressure on price as the result of deregulation. The total average price for all firms selling kerojet would rise less than a half of a cent if these firms with zero or negative banks were to raise their prices to the average price of their competitors.

TABLE IV-9

UNRECOUPED AVIATION JET FUELS COSTS FOR THE TOP 30 REFINERS
(millions of dollars)

	Oct. 1976	Oct. 1977	Oct. 1978**
Total Bank	1,471	1,651	1,397
Aviation Fuels Bank*	151	248	118

SOURCE: Energy Information Administration, Form P-110-M-1. Monthly Energy Review, December 1978, page 74.

* As of October 1, 1976, the entire bank relates to kerojet fuel.

** Preliminary

2. Supply/Demand

As described in the Supply Forecast, no overall shortages exist or are expected under current demand projections. There exists adequate domestic refinery capacity to meet present and projected demand for kerojet fuel without significantly increasing the level of kerojet imports. Distributional problems, in part attributed to the requirement for refiners to pass through average transportation costs in product prices in all regions, have created occasional local shortages as demand or supply patterns have changed. These temporary imbalances have recently manifested themselves primarily in certain north central and western areas. There has been little competition in that, when DFSC or the airlines solicit bids, it is very rare that response is received from other than the current supplier. There have been virtually no declarations of surplus kerojet by suppliers. Airlines, as well as their suppliers, have experienced problems in obtaining fuel for airline routes authorized by new CAB route awards. This kind of problem is most acute in the PAD IV area. Much of this situation could be attributable to supply inflexibility caused by DOE regulations, which would be removed in the event of deregulation. Some could be due to the temporary diversion of kerojet production capacity to alternate products. However, the problem of imbalance is mainly a distribution problem which is also an indication that there are pressures for a price increase. An average price increase of one half cent per gallon should provide adequate incentive for refiners to alleviate any local shortages which could occur.

3. Nature of the Market

In January 1978, the large integrated refiners (175,000 B/D and up and who own or control 30 percent or more of their refinery feedstocks) manufactured and sold 91 percent of kerojet, the large independent refiners sold an estimated 6 percent and the small refiners sold 3 percent. Because of the current and anticipated growth characteristics in this market, it is not expected that competition for the kerojet market will show major changes. Deregulation of kerojet is not expected to affect the market structure of kerojet nor have any supply/demand impacts. The present domination of this market by major refiners is expected to continue. These market conditions should not cause prices to rise.

4. Alternate Product Value

Alternate product value has been set forth as a factor affecting kerojet prices following deregulation. The argument is that, in the absence of controls, a refiner would produce the most profitable product, so prices of less profitable products would tend to rise to the point where they were equally profitable. In evaluating this argument, we must consider the profitability of producing kerojet as compared to the profitability of diverting kerosene to alternate uses, such as to middle distillate production.

Although kerojet fuel represents a narrow cut of the crude oil barrel, there are several products, including gasoline, naphtha jet fuel, kerosene and heating oils that are either totally or partially produced from the same portion of the barrel. All of these are, to a degree, alternates to kerojet fuel production.

Gasoline is more costly to refine than kerojet fuel. The production requires additional refining processes, including extremely costly catalytic cracking, hydrocracking, and catalytic reforming to increase octane quality.

The kerosene used in producing kerojet fuel could be poured into tanks storing distillates. It would directly increase the gallonage in those tanks and would require no change in refinery procedures or equipment. In October 1978, at the start of the most recent heating season, the average wholesale price of #2 heating oil was 38.1 cents per gallon. The average price of kerojet fuel at that time was 39.3 cents per gallon. (See Tables IV-10 and IV-11) A short-term direct predictive relationship between kerojet fuel prices and other middle distillate fuels is not immediately discernable, partly because of the different marketing and distribution systems between kerojet and its alternate products.

TABLE IV-10

HISTORIC DOMESTIC PRICE COMPARISON
(cents/gallon)

	Wholesale Regular Motor Gasoline	(JP-4) Naphtha Jet Fuel	Kerosene Jet Fuel
1968	11.6	10.5	10.1
1969	11.8	10.8	10.7
1979	12.3	10.6	11.1
1971	12.7	10.5	11.6
1973	12.7	10.5	11.6
1974	14.7	11.1	12.6
1975	25.5	27.2	21.9
1976	33.8	31.5	31.2
1977	38.1	35.0	35.8
1978 (October)	42.2	38.5	39.3

SOURCE: 1968-1975 motor gasoline prices from Independent Petroleum Association of America, kerojet prices from Civil Aeronautics Board and Air Transport Association, naphtha prices from Defense Fuel Supply Center. 1976-1978, DOE Form P-302-M-1

In a market where the prices of some products are controlled and others are not, if cost increases are not recoverable in controlled products, they tend to be passed to the uncontrolled products. Particularly in view of the fact that middle distillate prices have been decontrolled, a refiner could recover kerojet costs in middle distillate products. In addition, the incentive of a refiner to produce kerojet, a product that may not provide sufficient profitability, could be reduced and refiners could have the incentive to produce alternative decontrolled products when such products have greater profitability. Thus the deregulation of middle distillates, together with the retention of controls on kerojet, has had the potential to impose a slight upward pressure on middle distillate prices and to reduce the production of kerojet and, in general, to distort relationships that would pertain in a totally free market.

Due to the close balance of supply with demand for kerojet fuel and the potential for diversion of kerosene to production of alternate products such as middle distillates, following deregulation there is a potential for upward pressure on kerojet prices which would tend to be most severe during periods of peak demand for an alternate product.

However, in light of recent price relationships, it does not appear that an imbalance exists between the price of kerojet fuel and the price of its alternate products (see Table IV-11).

5. World Price

Some studies of petroleum product deregulation argue that prices of uncontrolled domestic products could rise to the level of the "world price." The "world price" is the price of foreign product refined from foreign crude

TABLE IV-11

ALTERNATIVE VALUES OF OTHER PRODUCTS AFFECTING KEROJET PRICING

	Regular Gasoline Wholesale	Kerosene Wholesale	Kerojet Sale to Airline & DOD	Naphtha Jet Fuel Sale to Airline & DOD	#2 Heating Oil Whole-Sale
1975					
Average	34.5	31.6	29.9	28.7	30.3
1976					
Average	34.9	32.4	31.2	31.5	31.2
1977					
Jan	35.8	36.0	33.2	33.4	34.8
Feb	36.6	36.9	34.1	34.0	35.8
Mar	37.3	37.1	34.6	34.5	36.1
Apr	38.1	36.5	34.9	34.3	35.9
May	38.7	36.6	35.1	34.3	35.8
June	39.1	36.3	35.7	35.1	35.7
July	39.1	36.1	35.8	35.6	35.7
Aug	38.8	37.9	36.0	35.5	35.7
Sept	38.4	36.5	37.0	35.6	35.6
Oct	38.3	38.0	37.3	35.7	35.9
Nov	38.2	37.7	37.5	35.8	36.7
Dec	38.2	38.6	37.8	36.2	37.6
1978					
Jan	37.8	39.1	38.5	36.9	37.0
Feb	37.5	38.8	38.2	36.5	36.5
Mar	37.6	38.6	38.4	36.9	36.4
Apr	38.1	38.2	38.5	36.8	36.2
May	39.0	38.2	38.6	37.3	36.0
June	39.9	38.7	38.9	37.2	35.8
July	40.8	37.7	38.9	37.6	35.8
Aug	41.8	38.2	39.3	37.5	36.0
Sept	42.4	39.4	39.3	37.7	36.9
Oct	42.2	40.1	39.3	38.5	38.1

SOURCE: DOE Forms P-302-M-1 and P-112-M-1.

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oil. The argument is that this product is under no price controls and therefore reflects the level that would be reached in the absence of controls.

Table IV-12 compares kerojet imports at world prices to total U.S. kerojet production. The first column shows the total volume of imports. In 1973, world priced imports (including bonded product) were approximately 26.0 percent of total U.S. supply. This percentage decreased to 8.4 percent in 1976 and 6.8 percent during the first six months of 1978, and is projected to remain less than 10 percent of the total U.S. production through 1980.

It is difficult to determine any one specific world price because prices vary widely from one foreign airport to another and because of the variety of factors affecting world prices. Nonetheless, it is possible to identify a price range. In September 1978 the difference between foreign and domestic kerojet fuel prices was about 4 cents per gallon. This approximately represents the difference between crude oil costs for domestic and foreign refiners which would exist regardless of kerojet deregulation. Therefore, world prices would appear to have to rise significantly to have an effect on unregulated kerojet prices.

SUMMARY AND CONCLUSIONS

In this section the analyses of demand, supply, prices factors, and market structure are consolidated along with

TABLE IV-12

IMPORTS OF KEROJET FUEL
(Thousands of barrels/day)

	Total Imports	Total U.S. Production	World Priced Imports as Percent of Total U.S. Production
1968	86	530	16.2%
1979	111	594	18.7
1970	125	597	20.9
1971	150	601	25.0
1972	162	640	25.3
1973	176	679	25.9
1974	135	641	21.1
1975	105	691	15.2
1976	62	733	8.4
1977*	50	782	6.4
1978	38	815	6.8***
1979**	24	859	2.8
1980**	38	880	4.3

* Excludes production used to build up stocks.
** Projected
*** First six months data only.

SOURCE: BOM 1968-1977 Bureau of Mines
1978-1980 FAA and ATA

DOE's findings to address the issues specified by the EPAA to support the exemption of a product from the price and allocation regulations.

Will exemption of kerojet fuel from regulation have an adverse impact on the supply of kerojet fuel or any other refined product?

DOE finds that the supply of kerojet fuel over the 1978-1980 period will be adequate and that exemption will not result in general shortages of kerojet fuel or other products. Domestic and foreign refining capacity is projected to be adequate to meet any national increases in kerojet demand. An analysis of the yields of other products, when refineries run at rates sufficient to meet kerojet fuel demand, will not impact adversely on the supply of other refined products. Furthermore, DOE finds that each sector of the industry--refiners and distributors--will continue to have access to adequate supplies of kerojet at equitable prices because of market forces created by supply/demand balances, competition, and in the case of refiners, by the DOE Domestic Crude Oil Entitlements and Buy/Sell Programs.

Will exemption result in inequitable prices for any class of user of kerojet fuel or any other refined products, and

Will competition and market forces be adequate to protect consumers following an exemption of kerojet fuel from regulations?

Changing refining costs of crude oil is one of the primary causes of price changes in kerojet fuel. Total crude oil and refiners' non-product costs are projected to increase by as much as 9.0 cents per gallon by 1980 under price control provisions. This crude oil cost increase to domestic refiners will create direct pressure for price increases among all products including kerojet, even if price controls on kerojet fuel continue, because current regulations permit refiners to recover increased crude oil costs.

The factors discussed demonstrate that only minor kerojet fuel price increases are projected as a direct result of exempting this product from controls. DOE's views as to the effects of each of these factors on prices can be summarized as follows:

Banked Costs. In October 1978, two major refiners and four large independents were out of banks. This indicates there could be some upward pressure on price as a result of deregulation. If firms with zero banks increased kerojet prices after deregulation to the level of their competitors, this could result in a slight average national price increase.

Supply/Demand. Supply of crude oil is adequate, considering the current drawdown of large crude inventories to deal with the current loss of Iranian supplies, which loss is expected to be temporary. Kerojet refining capacity, together with a normal/historic level of imports, is adequate to meet present national demand. Industry also has the capacity to supply the modest increase in kerojet demand which DOE projects for the future.

Temporary local shortages are primarily indications of refining and marketing inflexibility but they also indicate a slight upward pressure on kerojet fuel prices. A price increase of one half cent per gallon should provide adequate incentives for refiners to alleviate local shortages.

Nature of the Market. Exemption of kerojet from regulations will not adversely affect the competitive viability of refiners and marketers. The present structure of the kerojet market is not expected to change as a result of deregulation; therefore, market structure will not generate kerojet price increases.

Alternate Product Value. The pricing of alternate products is not expected to generate significant increases in kerojet prices.

World Price. World prices are expected to have no effect on kerojet fuel prices in the event of deregulation due to the ability of domestic refiners to meet projected demands while maintaining kerojet imports as a minor portion of overall supply.

Summary and Conclusion.

Deregulation of kerojet is expected to improve the flexibility and balance of supply/demand and the market structure. It is expected that deregulation may cause a slight price increase.

CHAPTER V

IMPACT OF EXEMPTION OF KEROJET FUEL ON THE ECONOMY

Section 12 of the Emergency Petroleum Allocati (EPAA), as amended by the Energy Policy and Conserv Act (EPCA), requires that DOE state its views about potential economic impacts, if any, of exempting ke fuel from allocation and price controls. Where pra these views should include:

- o State and regional impacts, including effects on governmental units;
- o Effects on the availability of consumer goods and services and the Gross National Product (GNP);
- o Effects on employment and consumer prices, specifically, the rate of unemployment, the Consumer Price Index, and the implicit price deflator for GNP.

Three major factors link the energy sector to rest of the economy: energy prices, energy supply tions, and energy demand conditions. Changes in th factors as a result of a change in energy regulatio are likely to produce complex impacts on the econom are not easy to trace without the aid of econometri of the economy.

A change in energy regulations results in both direct and indirect impacts. [illegible] impacts on prices, employment, and output in the energy sector, which in turn produce impacts on GNP, total employment and the CPI through changes in aggregate demand for energy products. The indirect impacts include the secondary impacts on the prices and production of non-energy goods and services which in turn produce impacts on aggregate economic variables.

In order to capture the direct and indirect impacts of a change in energy regulations, DOE uses simulations of a number of econometric models. An assessment of these aggregate impacts starts by comparing the results of a simulation of a macroeconomic model under a "base case" to the results of a simulation incorporating the change in regulations. A change in energy regulations is injected into the model by altering the energy sector of the model. This alteration is achieved first by computing a new value for the component known as [illegible] which is the wholesale [illegible]

The inputs of the macroeconomic model provide inputs for other econometric models, namely, a regional income [illegible] [illegible] model, an industry input-output model and a household expenditure model. These models estimate, respectively, the regional, industrial, and socioeconomic impacts of changes in the energy sector.

As was concluded in earlier chapters, the deregulation of kerojet fuel is expected to have virtually no impact on the price or availability of any other petroleum product, and the impact on the price of kerojet will be a slight increase. Consequently, the value of WPI05 in the event of decontrol would be unchanged from the "base case" and there would, therefore, be no economic impact.

The aggregate economic impact of a small change in the price of kerojet fuel as a result of decontrol, would be negligible. This can be easily seen by noting that kerosene-base, commercial jet fuel has a weight of .330 in the entire Wholesale Price Index, while the WPI05 (for all fuels) has a weight of [illegible] in the entire [illegible] small effect on the WPI05 and an even smaller effect on the Wholesale Price Index. A price change of this magni- [illegible] [illegible] tude would have an impact on the national economy which is virtually zero according to the criteria specified in Section 12 of the EPAA.

CHAPTER VI

FINDINGS AND CONCLUSIONS

This chapter states DOE's findings and views concerning the possible exemption of kerojet from the Mandatory Petroleum Allocation and Price Regulations. Section 12 of the Emergency Petroleum Allocation Act of 1973 (EPAA), which was added by the Energy Policy and Conservation Act (EPCA), requires that DOE make certain findings and express its views on a variety of matters in submitting an exemption to Congress. As indicated in Chapter I, since DOE is submitting to Congress concurrent Energy Actions exempting kerojet from both pricing and allocation regulations, the findings and views contained herein address both of the exemptions.

DOE's findings and views expressed in this chapter are drawn from the combined analyses presented in Chapters III, IV, and V. These findings and views are grouped under five general headings: (1) findings related to supply and demand, required for exemption from allocation regulations; (2) findings related to price, required for exemption of kerojet from price regulations; (3) DOE's findings that exempting kerojet from regulation will be consistent with the objectives of the EPAA; (4) DOE's views on a variety of potential impacts that must accompany

any exemption submitted to Congress, including state and regional impacts; and (5) DOE views related to the effects of exempting kerojet from regulation upon employment, the Consumer Price Index, the availability of consumer goods and services and the Gross National Product.

(1) Findings Related to Supply and Demand

In the exemption of any oil or refined product from the allocation regulations, the (DOE) must determine "...that such oil or refined product category is no longer in short supply..." [Section 12(d)(1)(A) of the EPAA]. Chapters III and IV present the DOE's examination of the supply/demand situation of kerojet. In this report, the DOE finds that kerojet is not in short supply and that anticipated supplies will be sufficient to meet the demand over the near term. Similiarly, stocks of kerojet are sufficient to meet demand surges.

The total supply of kerojet will be adequate over the 1979-1980 period, and exemption will not result in overall shortages of kerojet. With projected expansions, domestic refinery capacity, together with small volumes of imports, is expected to be adequate to meet demand. Sufficient supplies of foreign crude oil should be available, and the entitlements program will ensure the availability of equitably priced crude to all domestic refiners. An analysis of the refinery yields required to meet demand for kerojet demonstrates that refineries have the flexibility to satisfy most of the expected kerojet demand.

Any exemption must also be accompanied by a finding "...that exempting such oil or refined product category will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the Act..." [Section 12(d)(1)(A) of the EPAA]. The DOE finds that exempting kerojet will not have any adverse impact on the supply of other products.

The analysis of historical supply and demand in Chapter III, and the supply and demand forecast through 1980 in Chapter IV, fully support the DOE's findings that kerojet is now, and will continue to be, in adequate supply to meet current and projected demand.

(2) Findings Related to Price

In the exemption from price regulations, the DOE must determine "...that competition and market forces are adequate to protect consumers..." [Section 12(d)(1)(B) of the EPAA]. Kerojet prices will increase as crude costs and other costs increase. Supply and demand are in balance generally and for most individual refiners and are expected to remain in balance. The industry in general is expected to maintain adequate levels of profitability, and competition is expected to remain at its current levels. The removal of controls (under which cost increases are presently being passed through to consumers or will be passed through under anticipated rule changes) will have no significant effect on prices of most refiners, although it will reduce price pressures on some refiners that have exhausted their kerojet banks, and overall price increases resulting from exemption are not likely to exceed one cent per gallon. It is the DOE's finding, therefore, that competition and market forces are adequate to protect consumers if kerojet is exempted from regulations.

The DOE must also accompany any exemption from price regulations by a finding "...that exempting such oil or refined product category will not result in inequitable prices for any class of users of such oil or product..." [Section 12(d)(1)(B) of the EPAA]. Since only a small price increase is projected to occur as a result of exemption, and since the market structure analysis in Chapter IV indicates little change in market structure from historical patterns as a result of exemption, the DOE finds that exemption would not result in inequitable prices for any class of end-user. The market for this product has traditionally been competitive. With supply presently adequate, price increases for kerojet, solely as a result of exemption, are not expected to be significant. Competition appears to be sufficient to protect both the independent sector of the petroleum industry and consumers.

(3) Consistency with the Objectives of the EPAA

The DOE, in presenting any exemption for Congressional review, is required to support such an exemption with a finding that it is "consistent with the attainment of the objectives specified in Section 4(b)(1)" of the EPAA.

It is DOE's finding that the exemption of kerojet from the price and allocation regulations is consistent with the attainment of the objectives set forth in Section 4(b)(1) of the EPAA. Since an adequate supply is anticipated, the continued allocation and pricing of kerojet are not necessary to protect the public health, safety and welfare and the national defense [Section 4(b)(1)(A)]; the maintenance of all public services [Section 4(b)(1)(B)]; the maintenance of agricultural operations [Section 4(b)(1)(C)]; of the maintenance of exploration for the production or extraction of fuels and minerals (Section 4(b)(1)(G)]. Adequate supply and the positive effects of increased competition should insure that an exemption is consistent with the preservation of an economically sound and competitive petroleum industry [Section 4(b)(1)(D]; the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices [Section 4(b)(1)(F)]; economic efficiency [Section 4(b)(1)(H)]; and the minimization of economic distortions, inflexibility, and interference with market mechanisms [Section 4(b)(1)(I)]. An exemption should have no adverse effect on the allocation of suitable crude oil to U.S. refineries [Section 4(b)(1)(E)].

(4) DOE's Views Related to Potential Economic Impacts

Any exemption from either price or allocation regulations must be accompanied by "...a statement of the President's views as to the potential impacts (if any) of such (exemption) amendement..." [Section 12(d)(2)(A) of the EPAA]. This section of the EPAA further specifies a number of particular views which should be included, if practicable. In this section of the report, the DOE presents views of such potential impacts, presented in the order in which they are cited in the Act.

Views on the state and regional impacts (including impacts on governmental units). Because neither supply nor demand nor price impacts are anticipated as a result of an exemption, no significant state or regional impacts are anticipated. In particular, no impact is expected on any governmental units.

Views on the effects on the availability of consumer goods and services. Assessing the potential impacts on the availability of consumer goods and services as a result of exempting kerojet involves consideration of the major uses of this product. Airlines, military aviation and general aviation are dependent on this product and account for 86 percent, 5.5 percent, and 5.5 percent, respectively, of all kerojet consumed. Since supplies of kerojet have been determined in Chapter III and IV to be adequate to meet both present demand and demand over the 1977-1980 period, it is the DOE's view that exemption will have no adverse impact on the availability of consumer goods and services.

Views on the effects on the Gross National Product.

The effect of an exemption on the Gross National Product (GNP), as determined in Chapter V, will be insignificant.

Views on the effects on competition. In Chapters III and IV, the DOE examined the market structure for kerojet and concludes that exemption of kerojet from regulation will not adversely affect the competitive viability of independent refiners and marketers.

Views on the effects on small business. Marketing of kerojet is not expected to change from present patterns as determined in Chapter IV. Only gradual increases are projected in supply or demand and only slight price increases are anticipated as a result of exemption. An exemption, therefore, would not adversely affect small business. Small refiners increased their market share of kerojet sales from 2.0 percent in 1972 to approximately 3.0 percent in 1977. These trends indicate the continued viability of the independent marketer.

Views on the effect on the supply and availability of energy resources for use as fuel or as feedstock for industry. Chapters III and IV examine the supply availability of kerojet and demonstrate that supplies are adequate to meet present demand and anticipated demand for the period 1979-1980. This supply situation is not likely to change as a result of exemption, and, therefore, the fuel and feedstock needs of industry will continue to be met following exemption.

(5) Views on Unemployment, Consumer Price Index, and Gross National Product.

In the case of an exemption from price regulations, the DOE must analyze the effects of such exemption on "...the rate of unemployment for the United States, the Consumer Price Index (CPI) for the United State, and the implicit price deflator for the Gross National Product..." [Section 12(d)(2)(B) of the EPAA].

As explained in Chapter V, the potential impact of exemption of kerojet on the rate of unemployment, the CPI and the implicit GNP price deflator will be negligible.

SUMMARY OF FINDINGS AND CONCLUSIONS

The DOE has presented the conclusions of this report and related them to the specific provisions of Section 12 of the EPAA, which details the findings and views which must be made to exempt a refined petroleum product from DOE allocation and price regulations. On the basis of the conclusions reached in this report, the DOE believes exemption of kerojet from regulations at this time is fully consistent both with the data supporting the adequacy of supply of kerojet and with the DOE's responsibilities as specified in the EPAA, the EPCA, and the ECPA.

The DOE believes there are substantial benefits to be derived from exempting kerojet from controls. Because the regulations would no longer control conditions in the marketing and distribution of kerojet, deregulation would eliminate the inefficiencies associated with complying with the regulations and the unnecessary interference with market mechanisms. By eliminating uncertainties about the DOE's future regulatory policy, deregulation will also contribute to the likelihood of adequate future supplies of kerojet, because refiners will be more likely to make the necessary capital investment in production capacity when they are able to have more confidence in their economic forecasts regarding return on investment.

Following are further specific beneficial aspects associated with an exemption of kerojet from regulatory controls:

- Decontrol will allow suppliers and marketers of kerojet to better serve the requirements of small businessman and the market place will be more responsive to the needs of all individuals and companies, especially with respect to servicing the needs of consumers in marginal marketing areas.
- The substantial administrative burdens and personnel administrative costs associated with compliance with the regulations will be abolished. Reporting requirements of the current control program will be reduced with deregulation, thus moderating the attendant burdens on both the public and private sectors.

DOE/ER-0024

Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations

June 1978 (Statistically Updated to December 1978)

U.S. Department of Energy
Economic Regulatory Administration
Office of Regulations and Emergency Planning

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Washington, D.C. 20561

FOREWORD

This report represents the Economic Regulatory Administration's current Findings and Views regarding the exemption of aviation gasoline from ERA's Allocation and Price Regulations. In June 1978 we issued an earlier version of these Findings and Views for public comment. This updated version now contains statistical information through January 1979. The supply/demand forecast contained in Chapter IV now includes projections for 1980. Having evaluated the comments received and the more recent figures, we have changed neither our conclusions nor the substance of the analysis upon which they are based. Accordingly, the text of this document is similar to that of the June 1978 report.

TABLE OF CONTENTS

PAGE

FOREWARD

EXECUTIVE SUMMARY

I INTRODUCTION 1

II BACKGROUND 6

- Characteristics 6
- Use 7
- Supply 13
- Distribution 13

III HISTORICAL CONDITIONS (1968-1978) 17

- Chronology of Allocation and Price Controls 18
- Supply/Demand 23
- Price Trends 34
- Market Structure 38

IV IMPACT OF DECONTROL ON SUPPLY/DEMAND, PRICE, AND MARKET STRUCTURE 40

- Demand Forecast 41
- Supply Analysis 41
  - Availability of Crude Oil 49
- Price Forecast 50
  - Banked Costs 52
  - Supply/Demand 55
  - Nature of the Market 55
  - Alternate Product Value 57
  - World Price 57

TABLE OF CONTENTS (continued)

PAGE

IV IMPACT OF DECONTROL SUPPLY/DEMAND PRICE, AND MARKET STRUCTURE (continued)

Market Structure Forecast 58

Summary and Conclusions 58

V IMPACT OF EXEMPTION OF AVIATION GASOLINE ON THE ECONOMY 62

VI FINDINGS AND CONCLUSIONS 65

Findings Related to Supply and Demand 66

Findings Related to Price 67

Consistency With The Objectives of the EPAA 69

DOE's Views Related to Potential Economic Impacts 70

Views on Unemployment, Consumer Price Index, and Gross National Product 72

SUMMARY OF FINDINGS AND CONCLUSIONS 74

INDEX OF TABLES AND FIGURES

			PAGE
Table	II-1	Distribution of Aviation Gasoline by Refiners (1972-1977)	15
Figure	III-1	Demand by Type of Use for Aviation Gasoline	24
Figure	III-2	Demand by PAD for Aviation Gasoline	25
Figure	III-3	Refinery Output of Aviation Gasoline by PAD	27
Figure	III-4	PAD Districts	28
Table	III-1	Supply and Demand of Aviation Gasoline	29
Figure	III-5	Supply and Demand of Aviation Gasoline	30
Table	III-2	Yearly Rates of Decline	33
Table	III-3	Aviation Gasoline Retail Fuel Price	36
Table	III-4	Prices of Aviation Gasoline Sold at Retail by Fixed Base Operators	37
Table	IV-1	Demand for Aviation Gasoline	42
Figure	IV-1	Demand for Aviation Gasoline	43
Table	IV-2	Projected Domestic Petroleum Product Demand	44
Table	IV-3	U.S. Petroleum Supply Analysis	46
Table	IV-4	Domestic Refinery Capacity Utilization	47
Table	IV-5	Projected Aviation Gasoline Production, 1979	48
Table	IV-6	Projected Composite Crude Cost and Non-product Cost Increase With Controls	51
Table	IV-7	Unrecouped Costs for General Refinery Products	54

EXECUTIVE SUMMARY

- To exempt aviation gasoline from the Mandatory Petroleum Allocation Regulations, the Department of Energy (DOE) must find "...that such oil or refined product category is no longer in short supply and that exempting such oil or refined product category would not have an adverse impact on the supply of any other oil or refined product..." [Section 12(d)(1)(A) of the Emergency Petroleum Allocation Act of 1973 (EPAA), as amended]. Currently aviation gasoline represents approximately 0.3 percent of the total refinery yield from U.S. refineries. DOE concludes that domestic refinery capacity together with available imports are sufficient to meet projected increases in demand for aviation gasoline through the year 1980. Exemption may, in fact, stimulate production and supply.
- To exempt aviation gasoline from the Mandatory Petroleum Price Regulations, the DOE must also find "...that competition and market forces are adequate to protect consumers and that exempting such oil or refined product category will not result in inequitable prices

for any class of users of such oil or product..." [Section 12(d)(1)(B) of the EPAA]. With current adequate supplies of aviation gasoline, and the industry operating at an adequate level of profitability, DOE finds that aviation gasoline prices are not experiencing significant upward pressures. Competition and market forces are therefore currently adequate to protect consumers, and supplies are estimated to be sufficient in the future to prevent inequitable prices for any class of consumer as a result of exempting aviation gasoline from regulation.

-- The DOE further finds that the exemption of aviation gasoline is consistent with the attainment of the objectives set forth in the EPAA.

-- The DOE also finds that exemption of aviation gasoline from regulation will not significantly affect the rate of unemployment, Consumer Price Index, or the Gross National Product (GNP).

-- Continuation of aviation gasoline regulations designed for an embargo situation has not appeared to be necessary to achieve the objectives of the EPAA. The Economic Regulatory Administration (ERA) submitted a proposed aviation gasoline exemption to the Federal Energy Regulatory Commission (FERC) under sections

402(c)(1) and 404 of the Department of Energy Organization Act, Pub. L. 95-91 ("DOE Act"). After receiving public comment, the FERC concurred with ERA's proposal. The DOE is now transmitting to the Congress, in accordance with the requirements of Section 12 of the EPAA, Section 551 of the Energy Policy and Conservation on Act (EPCA), and Section 102 of the Energy Conservation and Production Act (ECPA) the exemption of aviation gasoline from the Mandatory Petroleum Allocation and Price Regulations.

CHAPTER I

INTRODUCTION

This report presents the DOE's findings and views with respect to its proposal to exempt aviation gasoline from the Mandatory Petroleum Allocation and Price Regulations (10 CFR, Parts 210, 211, and 212), issued pursuant to the Emergency Petroleum Allocation Act of 1973 (EPAA), Public Law 93-159 (November 27, 1973), as amended. The Energy Policy and Conservation Act (EPCA), Public Law 94-163 (December 22, 1975), in Section 455, added Section 12 to the EPAA, requiring that any amendment submitted to the Congress for the purpose of exempting a petroleum product or refined product category from regulation be supported with certain findings and views on a variety of matters related to the exemption. Section 102 of the Energy Conservation and Production Act (ECPA), Public Law 94-385 (August 14, 1976), requires separate submissions to the Congress of energy actions exempting a refined product category from both price and allocation provisions of the DOE regulations, but it does permit separate energy actions exempting a product from price and allocation regulations to be submitted concurrently.

Based on an analysis of historic and projected supply, demand, and price trends, the DOE has concluded that allocation and price controls are no longer necessary for aviation gasoline and that its exemption in addition to satisfying the other requisite criteria of Section 12 of the EPAA, will be consistent with the attainment of the objectives specified in Section 4 (b)(1) of the EPAA. Accordingly, the DOE is submitting concurrently to the Congress in accordance with the provisions of Section 12 of the EPAA, Section 551 of the EPCA, and Section 102 of the ECPA, two energy actions to exempt aviation gasoline from allocation and price controls. The exemption will become effective and the regulations will be converted to standby status following the expiration of the period allowed for legislative review. Inasmuch as DOE is submitting concurrent energy actions exempting aviation gasoline from both price and allocation regulations, this report considers the impact of both exemptions.

The DOE's findings regarding the exemption of aviation gasoline from regulation are as follows:

- Aviation gasoline is not in short supply.
- Exemption of aviation gasoline from the allocation and price regulations will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.
- Competition and market forces are adequate to protect consumers following exemption of aviation gasoline from regulation.

- o Exemption of aviation gasoline from regulation will not result in inequitable prices for any class of user of aviation gasoline or other products.
- o Exemption will not have adverse state or regional impacts.
- o Exemption of aviation gasoline will not have an adverse effect on:
  - availability of consumer goods and services;
  - the Gross National Product (GNP);
  - competition;
  - small business;
  - supply and availability of energy resources as fuel or feedstocks for industry;
  - consumer prices, Consumer Price Index (CPI) or the implicit price deflator for the GNP; or,
  - the rate of unemployment.

The DOE also believes that an exemption of aviation gasoline from the price and allocation regulations is consistent with the objectives set forth in Section 4 (b)(1) of the EPAA. Since adequate supply presently exists and is projected, continued mandatory price and allocation controls for aviation gasoline are unnecessary to:

- o protect public health, safety, welfare, and national defense [Section 4(b)(1)(A)];
- o maintain public services [Section 4(b)(1)(B)] and agriculture operations [Section 4(b)(1)(C)];

- maintain exploration for and production or extraction of fuels and minerals [Section 4(b)(1)(G)]; or
- insure equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices [Section 4(b)(1)(F)].

Because the regulations issued pursuant to the EPAA are designed to deal primarily with shortage conditions, an exemption is required to facilitate the attainment of the following EPAA objectives in the current period of adequate supplies:

- preservation of an economically sound and competitive petroleum industry [Section 4(b)(1)(D)];
- economic efficiency [Section 4(b)(1)(H)]; and,
- minimization of economic distortion, inflexibility, and interference with market mechanisms [Section (4)(b)(1)(I)].

Further, an exemption should not have an adverse effect on allocating suitable crude oil to U.S. refineries [Section 4(b)(1)(E)], maintaining energy production, or providing for maximum use of refinery capacities.

Chapter II provides background information on the use, production, and distribution of aviation gasoline. Chapter III analyzes the historical interaction of supply, demand, and price, and explores the market structure for aviation gasoline during 1968-1978, prior to and during imposition of allocation and price controls. Chapter IV examines aviation gasoline supply, demand, price, and market structure impacts of exempting aviation gasoline from controls. In Chapter V, the potential economic impacts of exemption are evaluated. Chapter VI provides a final summary of the DOE's findings and views in support of its judgment that aviation gasoline should be exempted from the Mandatory Petroleum Allocation and Price Regulations.

CHAPTER II

BACKGROUND

This chapter provides background information regarding the characteristics, use, supply, and distribution of aviation gasoline.

Aviation gasoline is a petroleum fuel designed, in several different grades, for use in piston engined aircraft, but not turbine engined (jet or turboprop) aircraft. It is defined in 10 CFR 212.31 as all of the various grades of aviation gasoline included in ASTM D910-70 (American Society for Testing Materials) and in 10 CFR 211.142 as petroleum based fuels designed for use in aircraft internal combustion engines, and complying with MIL G-5572 specifications. Current specifications for the various grades of this product are in ASTM D910-75.

Characteristics

Although technically falling within the range of motor gasolines, aviation gasoline is more narrowly defined in its more restrictive boiling range (+90° to +300° F); its maximum Reid vapor pressure of 7 psi (to create a lesser volatility); its lower freezing point of -76° F; its carefully controlled antiknock characteristics; and its chemical stability. The manufacturing process involves a blending of natural or straight-run gasolines with refined hydrocarbons produced through cracking, reforming, alkylation, polymerization, isomerization and other crude oil refining processes. Various chemical components are added to this blend to supplement natural characteristics and to improve combustion. In fuels for civilian use, these additives are generally limited: to dye for grade identification; to tetraethyl lead to increase octane ratings; and to gum inhibitors. Military or other special use requirements may specify additional additives such as metal deactivators, antirust and antistall agents.

Use

Many different general aviation activities currently represent the primary demand for aviation gasoline. These cover the full spectrum of business and corporate flying, personal transportation, proficiency flying, sport flying and commercial activities such as air taxi, rental, and commuter airline operations. Additionally, general aviation covers a wide range of special purpose flying conducted by private or commercial interests and governmental institutions in support of agricultural production, safety and mercy missions, energy production, telecommunications, construction, weather observation and modification, flight instruction and law enforcement, as well as aircraft and aircraft engine development and testing. Together, these activities involve at least 783,900 pilots flying more than 186,600 aircraft and operating out of a system of nearly 14,000 airports (source FAA).

Approximately 73 percent of all general aviation operations are for business or commercial (including instructional) purposes, while 25 percent are for proficiency and personal flying and 2 percent for other flying. Forty percent of general aviation fuel is aviation gasoline. The rest is aviation jet fuel /mostly kerosene base jet fuel (kerojet) plus negligible volumes of naphtha jet fuel/. General aviation use of aviation gasoline has held relatively level during the 1968-1975 period, with increases in 1976 and 1977. Its use of jet fuels has been growing much more rapidly. General aviation used 68 percent of the aviation gasoline consumed nationally in 1975. This percentage increased to 80 percent in 1977 and is expected to continue increasing as the other uses of aviation gasoline diminish. The net result was a decrease in total aviation gasoline consumption until 1977 when total consumption began to increase slowly. In 1979 and 1980 airline and military aviation gasoline consumption will have been reduced to such a low level that further reductions will not be enough to counteract the expected continuing increases in general aviation demand.

Civil air carrier requirements for aviation gasoline, represented primarily by supplemental air carriers, contract carriers and intrastate airlines, are decreasing as such carriers convert to jet-powered equipment.

Military uses of aviation gasoline are diminishing rapidly as conversion to turbine-engined aircraft continues. Military uses include flight instruction, cargo transport, and limited tactical flying for reconnaissance, observation and transportation, mostly performed by the U.S. Army in small aircraft and helicopters.

In the interest of aircraft performance and safety, the antiknock quality of aviation gasoline is closely controlled, and different grades of fuel are specified for different engines and services. Grade designations rate the antiknock value both under normal cruising conditions and under takeoff or emergency conditions.

Grade 80/87 means that the fuel has a cruising rating of 80 octane and a takeoff rating of 87 octane. Antiknock values are usually given as octane numbers up to and including 100, and as performance numbers above 100.

During the peak demand period for aviation gasoline in the decade following World War II, civil air carrier, general aviation, and nearly all military aircraft were powered by spark-ignited, piston engines. The wide range of planes and services required production and marketing of multiple grades of fuel, including the standard grades of 80/87 (dyed red), 91/98 (dyed blue), 100/130 (dyed green), 108/135 (dyed brown), and 115/145 (dyed purple).

With the introduction of jet-powered aircraft and conversion of civil air carrier and military fleets to jet equipment, demand for aviation gasoline dropped sharply and the availability of multiple grades began to diminish. Grades 91/98 and 108/135 disappeared from the marketplace during the 1960's. Grade 115/145 is currently available for civilian use at only a few airport facilities. Military demand for this grade is sustaining present levels of production, and termination of military use would certainly accelerate phaseout of the 115/145 grade fuel. Presently military aviation gasoline purchases are two-thirds 115/145 and one-third 100/130. The only grades of aviation gasoline commonly available to civil aviation are 80/87 and 100/130. Currently grade 80/87 has been dropped by several suppliers, as part of a single grade marketing program that has been underway for nearly six years.

The growing popularity of turbine engined aircraft in general aviation (all of civil aviation except airline and all of government aviation except military) has been causing rapid increases in general aviation demand for kerojet and in the number of airports which offer that fuel. This, in turn, has forced Fixed Base Operators (FBOs) and suppliers to evaluate the economics of marketing multiple grades of aviation gasoline. FBOs are aviation service and fuel retailers. To avoid excessive capital investment, many FBOs, who traditionally marketed two grades of aviation gasoline, converted one of their fueling systems to kerojet fuel. The system handling grade 80/87 usually represented the lesser demand and therefore usually has been the one eliminated, leaving grade 100/130 as the remaining grade of aviation gasoline available.

A large number of aircraft are designed to consume 80/87 grade which, nonetheless, represents a relatively small total volume of fuel. The Federal Aviation Administration (FAA) recorded 186,600 general aviation aircraft in the United States in 1978. Of these, 37.5% were single-engine piston aircraft with 1-3 seats, and 47.3% were single-engine piston aircraft with 4 or more seats. Nearly all of the first group and a large part of the second have low compression engines which burn the low-lead 80/87 grade. Thus, approximately two-thirds of the general aviation fleet is designed for grade 80/87. However, these are the least active aircraft with the lowest fuel consumption. The 1-3 seat group averages 91.8 flying hours per year. The 4 or more seat group averages 106.3 hours per year. In approximate terms, average hourly fuel consumption for these two groups of aircraft would range a few gallons either side of ten gallons per hour.

100/130 grade aviation gasoline is a higher performance product. It has about six times as much lead content as grade 80/87. When used in the engines designed for grade 80/87 it causes them to run poorly and to be prematurely removed for overhaul due to burned valves and other problems.

A new blend of grade 100/130, called grade 100/130 LL (low lead) (dyed blue) has been introduced for aircraft engines designed to use grade 100/130 and also to operate safely the small, older engines designed for grade 80/87. It contains two-thirds as much lead as grade 100/130, but nearly four times as much as grade 80/87. Because of its greater volumetric content of high value clear octane blending components, it is more costly than other aviation gasoline. Thus an increase in requirements for 100/130 LL aviation gasoline would impose demands on refineries that are similar qualitatively to those imposed by increased requirements for unleaded motor gasoline. However, the requirement for more sophisticated refining is not expected to cause any overall supply shortage because of the small volumes involved. These factors would apply regardless whether aviation gasoline were decontrolled.

As 100/130 LL was introduced, several refiners ceased production of 80/87 grade and/or the standard 100/130 grade, while others continued. The result is that there are differences in grade availability among regions and among airports carrying different brands.

There have been numerous reports that 100/130 LL is damaging engines designed for grade 80/87 and causing them to be prematurely overhauled. There are many indications that grade

100/130 LL does not now fulfill its design purpose of satisfactorily operating the smaller engines. However, there appears to be a possibility that modifications (mostly to valves) of the smaller engines may enable them to operate satisfactorily with grade 100/130 LL.

Until this situation has been resolved and an appropriate single grade fuel suitable for use in the smaller engines has been developed, there will continue to be spot or local shortages of either 80/87 or 100/130 LL grades. The FAA and the National Transportation Safety Board are actively seeking to identify the problem precisely and to seek a solution. The responsibility for the grade suitability issue primarily is vested in these two agencies.

Supply

The grade 80/87 issue notwithstanding, there is an adequate overall supply of aviation gasoline as explained herein. The grade suitability issue will not, in DOE's judgment, be signficantly affected by aviation gasoline deregulation. However, removal of DOE regulations may give suppliers and consumers added flexibility with which to resolve any problem because they will no longer be constrained by base period relationships, volumes, or prices.

Distribution

More than 97.0 percent of the total aviation gasoline requirements are supplied by the 15 large integrated refiners. The comparatively small volume of product involved and its distribution to some 5,000 dealers (FBOs) and military installations preclude general use of petroleum product pipelines for transportation of this fuel. Instead, transportation of blending stocks between refineries and of finished product from refinery gates to dealers or redistribution points customarily is by highway and rail transport facilities. Final deliveries frequently are accomplished by tankwagon.

Many suppliers have developed the capability of producing aviation gasoline at dispersed refinery locations or have executed exchange agreements as a means of offsetting distribution costs in serving regional needs. However, the exacting specifications, the relatively expensive blending stocks, the low overall product demand, the proportionately small requirements of individual dealers, and the relatively high cost of distribution combine to make aviation gasoline one of the most expensive refined petroleum products in the marketplace. These factors also discourage any extensive participation in this market by small refiners.

The market share of the fifteen (15) large integrated refiners (97.3 percent in the first half of 1978) has remained relatively stable since 1972 (98.6 percent). In 1977 the four largest refiners sold 64% of all aviation gasoline, and the eight largest sold 92%.

As shown in Table II-1, direct sales of aviation gasoline by refiners has declined steadily since 1972 with a slight upswing in 1977. Direct sales of 204 million gallons in 1977 were down 50 percent from 1972. Refiners have shifted a major portion of the aviation gasoline sales

TABLE II - 1

DISTRIBUTION OF AVIATION GASOLINE BY REFINERS, 1972-1977
(in MM Gallons)

Year	Total Refiner Sales	Product Sold Directly to Ultimate Consumers		Branded Product Sold to Independent Marketers		Nonbranded Product Sold to Independent marketers	
1972	669	406	60.7%	260	38.9%	3	0.4%
1973	654	335	51.2%	317	48.5%	2	0.3%
1974	637	324	50.9%	311	48.8%	2	0.3%
1975	553	216	39.1%	334	60.4%	3	0.5%
1976	536	189	35.2%	344	64.1%	3	0.6%
1977	565	204	36.2%	353	62.4%	8	1.4%
1978 (1st half)	262	94	35.8%	163	62.1%	5	2.1%

SOURCE: DOE forms P-305 and P-306.

volume to branded independent marketers whose share of the national aviation gasoline market has increased from 39 percent in 1972 to 62 percent in 1977. Nonbranded product supplied to the independent sector accounts for about 1 percent of refiner sales of aviation gasoline.

In 1977, total domestic demand for aviation gasoline was 13,932 MB of which General Aviation used 80%, military 14%, airlines 5-1/2%, and aviation factories less than 1%. The total volume is less than 4 percent of all aviation fuel demand, about six tenths of one percent of the total volume of gasoline consumed annually throughout the nation, and less than three tenths of one percent of domestic demand for all petroleum products.

CHAPTER III

HISTORICAL CONDITIONS
(1968-1978)

The historical interaction of supply, demand, and price of aviation gasoline, and the market structure of the petroleum industry are examined in this chapter in order to address the findings required by the EPAA. The following questions will be resolved:

- Is aviation gasoline in adequate supply?
- Will exemption of aviation gasoline from regulation result in shortages of other refined products?
- Are competition and market forces adequate to protect consumers following an exemption of aviation gasoline?
- Will exemption result in inequitable prices for any class of user?
- Is the exemption of aviation gasoline consistent with attainment of the objectives of the EPAA?

In this chapter an overview of the period 1968 to 1978 provides a perspective for assessing the effects of exempting aviation gasoline from the Mandatory Petroleum Allocation and Price Regulations, which is discussed in Chapter IV.

CHRONOLOGY OF ALLOCATION AND PRICE CONTROLS

Allocation and price controls on petroleum products have been imposed at various times over the past several years as part of major U.S. economic regulatory programs beginning with the series of price controls established under the Economic Stabilization Program. The principal allocation and price controls involved, for purposes of this report, are as follows:

Program	Effective Date	Description and/or Responsible Office
Phase I	Aug. 15, 1971	Original Price Freeze Office of Emergency Preparedness
Phase II	Nov. 13, 1971	Mandatory Price Controls Price Commission
Phase III	Jan. 11, 1973	Voluntary Price Standards Cost of Living Council
Special Rule No. 1	Mar. 6, 1973	Mandatory Price Controls on Petroleum Industry Cost of Living Council
Voluntary Petroleum Allocation Program	May 10, 1973	Original Product Allocation Program on a Voluntary Basis Dept. of the Interior
Price Freeze II	June 13, 1973	Sixty Day Price Freeze Cost of Living Council
Phase IV	Aug. 19, 1973	Mandatory Price Controls Cost of Living Council
Emergency Petroleum Allocation Act of 1973 (EPAA) as extended and amended by the EPCA (12-22-75) and the ECPA (3-14-76)	Nov. 27, 1973	Mandatory Allcation and Price Regulations issued January 14, 1974 Federal Energy Office, Federal Energy Administration and the Department of Energy

The PHASE I CONTROLS consisted of a general price freeze imposed on all sectors of the U.S. economy for a period of 90 days under which prices were frozen at their August 14, 1971 level.

The PHASE II MANDATORY PRICE CONTROLS established ceiling prices for all industries based on Phase I prices, with limited adjustments allowed to reflect increased costs.

The PHASE III VOLUNTARY PRICE STANDARDS also applied to all industries generally. Under Phase III, increases above those lawfully in effect on January 10, 1973, were permitted to reflect increased costs without regard to profit margin limitations. Phase III voluntary controls had the effect of permitting the petroleum industry to correct the price imbalance between aviation gasoline and middle distillates that had prevailed under Phases I and II. However, Phase III also had the effect of permitting large increases in petroleum prices. As a result, Phase III was amended by SPECIAL RULE NO. 1 on March 6, 1973, the first time price controls were established expressly for the petroleum industry. Under Special Rule No. 1, mandatory price controls were imposed on the sale of crude oil and refined petroleum products by firms with annual sales of $250 million or more, which generally limited automatic price increases to a weighted average price of one percent above the January 11, 1973, base price levels. Because Special Rule No. 1 applied only to the 23 largest oil companies, petroleum prices continued to rise because of price increases by the uncontrolled portion of the petroleum industry.

The VOLUNTARY PETROLEUM ALLOCATION PROGRAM (VPAP) was developed to deal with increasingly frequent spot shortages of petroleum products, which had first appeared in late 1972. Through an April 30, 1973, amendment to the Economic Stabilization Act of 1970 (P.L. 93-28), Congress empowered the President to allocate petroleum products and crude oil to meet essential needs and to prevent anti-competitive effects caused by shortages. The VPAP was initiated on May 10, 1973, and set out guidelines for the petroleum industry for the allocation of products at all levels of distribution. The program relied on voluntary compliance.

PRICE FREEZE II was placed in effect on June 13, 1973, for a 60-day period, partly because of continuing increases in petroleum prices, including increases in gasoline prices. This 60-day price freeze was imposed on virtually all consumer prices. At the same time, the Cost of Living Council was directed to develop Phase IV regulations which were to include measures to stabilize the price of petroleum products.

THE PHASE IV CONTROLS, developed during the 60-day price freeze, went into effect on August 19, 1973, with the exception of those for retail dealers which went into effect September 7 1973, and provided for a comprehensive system for controlling petroleum prices at all levels of the petroleum industry. The Phase IV price controls are the basis for the Mandatory Petroleum Price Regulations now in effect under the EPAA.

THE EPAA, enacted November 27, 1973, under which the Mandtory Petroleum Allocation and Price Regulations were issued January 14, 1974, provided for comprehensive controls for both allocation and prices of petroleum products at virtually all levels of the petroleum industry. These regulatory programs were established to deal with the problems created by the reduction in supplies of petroleum products resulting from the October, 1973, Arab oil embargo. Controls established under these programs were designed to preserve in a shortage situation, to the extent possible, an economically sound and competitive petroleum industry, including the competitive viability of the independent segments of the industry. Other controls implemented as part of these programs contained provisions to assure equitable distribution of refined petroleum products at equitable prices. Included among these controls is the Domestic Crude Oil Allocation (Entitlements) Program which was created to eliminate the competitive marketing advantages of those refiners with disproportionate access to price controlled domestic crude oil. By eliminating these advantages, costs are brought into approximate parity assuming that market competition will result in equitable prices for consumers of petroleum products. Under this program, refiners with greater than average access to low-cost "old" oil are required to make payments to refiners who use greater than average amounts of more costly domestic and imported crude oil, so that all domestic refiners, in effect, have equitable shares of the limited quantities of low-priced domestic crude oil. 1/

Under the allocation portion of these regulatory controls, all regions and economic sectors are to receive, to the extent possible, equitable shares of

---

1/ Under the EPCA, price controls on both new and old domestic crude oil are to be phased out over a 40-month period which commenced February 1, 1976. The DOE has expanded its Entitlements Program to cover all domestic crude oil.

available crude oil and petroleum product. Accordingly, a priority allocation system was established for the distribution of petroleum products.

During the shortage that occurred as a result of the oil embargo imposed in October 1973, the allocation and price regulations achieved a substantial measure of success in easing the impact of the shortage. However, there are indications at this time--and have been for over four years--that adequate supplies of all refined petroleum products are available and controls are no longer needed. During 1976, the Federal Energy Administration was able to make the necessary findings to support the exemption from regulation for several other categories of petroleum products including residual fuel oil (effective June 1, 1976), middle distillates (effective July 1, 1976), naphthas, gas oils, and other specialty products (effective September 1, 1976), and naphtha-base jet fuel (effective October 1, 1976). Recently, the DOE and the Federal Energy Regulatory Commission have held hearings on Findings to exempt motor gasoline from regulations. Also in 1976, the Energy Conservation and Production Act, P. L. 94-385 (enacted on August 14, 1976) exempted stripper well crude oil production from FEA's price regulations.

SUPPLY/DEMAND

The demand for aviation gasoline decreased fairly steadily from 1968 to 1976, as illustrated in Figures III-1 and III-2. The annual rate of decline in demand averaged

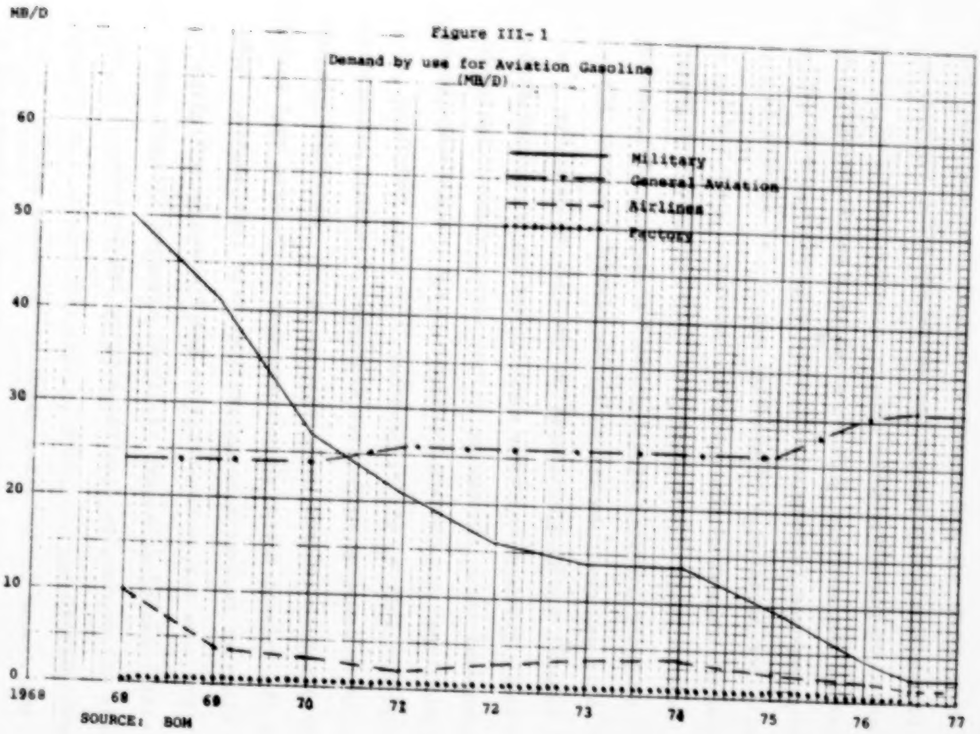


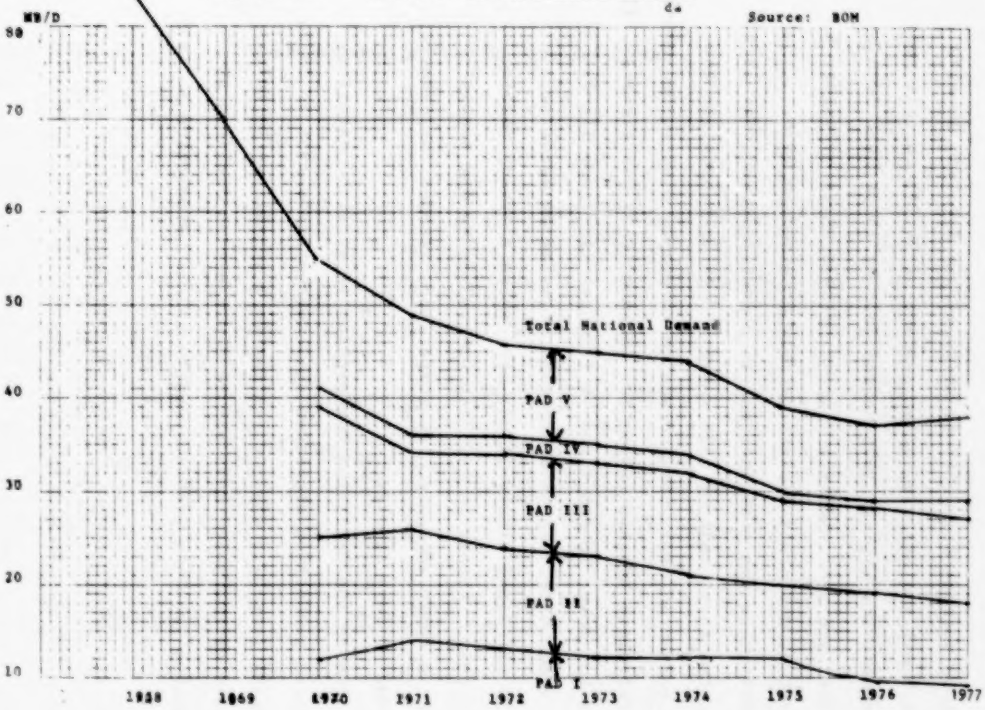
Figure III-1

Demand by use for Aviation Gasoline
(MB/D)

SOURCE: BOM

Figure III-2 DEMAND BY PAD FOR AVIATION GASOLINE

Source: BOM



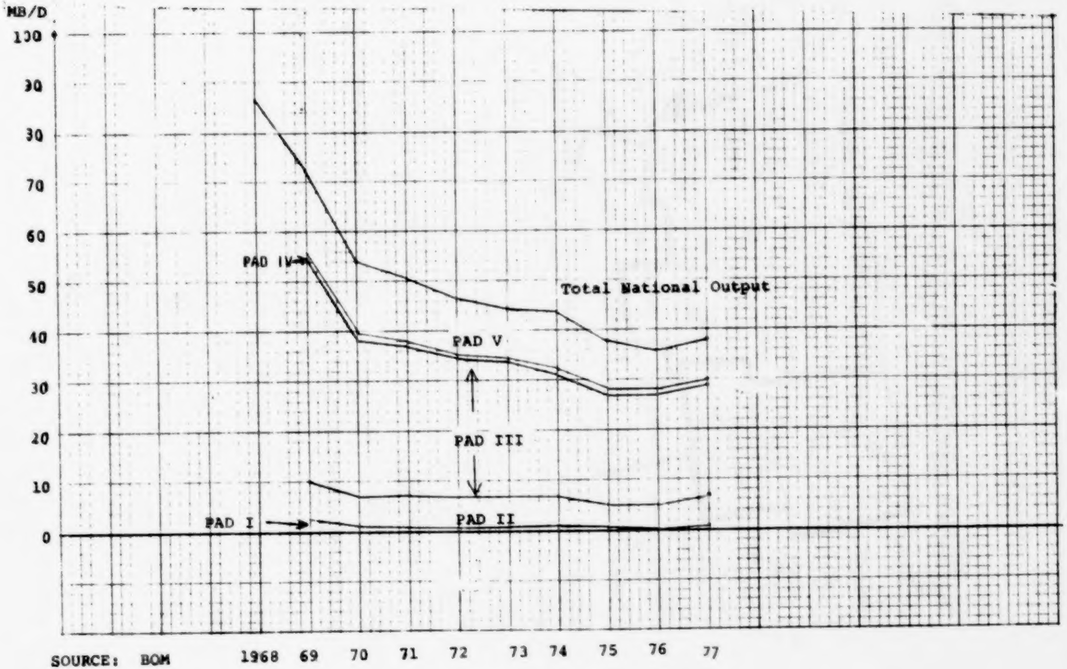
about 13 percent from 1968 to 1972, before leveling in 1972 at 16.9 million barrels, or an average of 46,243 barrels per day (Table III-1). In 1975 demand fell by 13 percent from the previous year, to 14.1 million barrels while a further 5 percent drop to 13.4 million barrels occurred in 1976. In 1977 there was a 4% increase in domestic demand over 1976, while the first half of 1978 shows a 1.4% increase over the like period in 1977. Demand was quite evenly distributed among the Petroleum Administration for Defense (PAD) Districts II, III, and V but lower in PAD I and IV (Figures III-2 and III-3).

Production, stocks and demand of aviation gasoline (Table III-2 and Figure III-5) have shown a steady decline since 1968. Stocks in 1977 represented an 80 day supply which is fully adequate. By comparison, kerojet fuel stocks average 35 days supply.

Due to the declining consumption of aviation gasoline, domestic production decreased 46.2 percent from 1968 to 1972, dropping from 31.6 million barrels to 17.0 million barrels. In each of the years 1973 and 1974 production declined by 3 percent from the previous year's level. Production in 1975

Figure III-3

REFINERY OUTPUT OF AVIATION GASOLINE BY PAD



SOURCE: BOM

FIGURE III-4

PETROLEUM ADMINISTRATION FOR DEFENSE (PAD) DISTRICTS

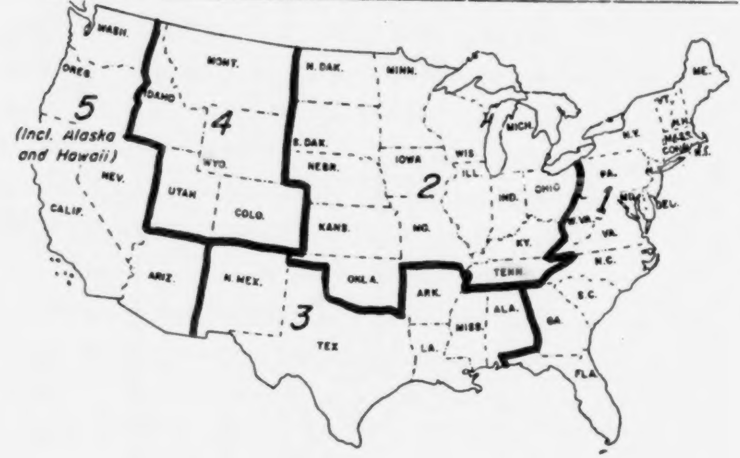

WASH.
OREG.
IDAHO
MONT.
N. DAK.
MINN.
ME.
5
(Incl. Alaska and Hawaii)
4
S. DAK.
WYO.
NEBR.
IOWA
WIS.
MICH.
VT.
N.H.
N.Y.
MASS.
CONN.
R.I.
NEV.
UTAH
COLO.
2
ILL.
IND.
OHIO
PA.
N.J.
MD.
DEL.
1
CALIF.
KANS.
MO.
W.VA.
VA.
KY.
N.C.
TENN.
ARIZ.
N. MEX.
OKLA.
ARK.
S.C.
ALA.
MISS.
GA.
3
TEX.
LA.
FLA.

TABLE III-1

SUPPLY AND DEMAND OF AVIATION GASOLINE, 1968-1978
(MB)

	Production	Stocks	Exports	Domestic Demand
1968	31,563	7,030	1,834	30,624
1969	26,460	6,193	1,746	25,551
1970	19,712	5,093	909	19,903
1971	18,457	4,419	1,239	17,892
1972	16,993	4,255	232	16,925
1973	16,413	3,939	198	16,531
1974	15,895	3,471	148	16,215
1975	13,718	3,024	106	14,067
1976	13,332	2,840	154	13,362
1977	14,220	3,046	82	13,932
1978*	6,470	2,654**	36	6,620

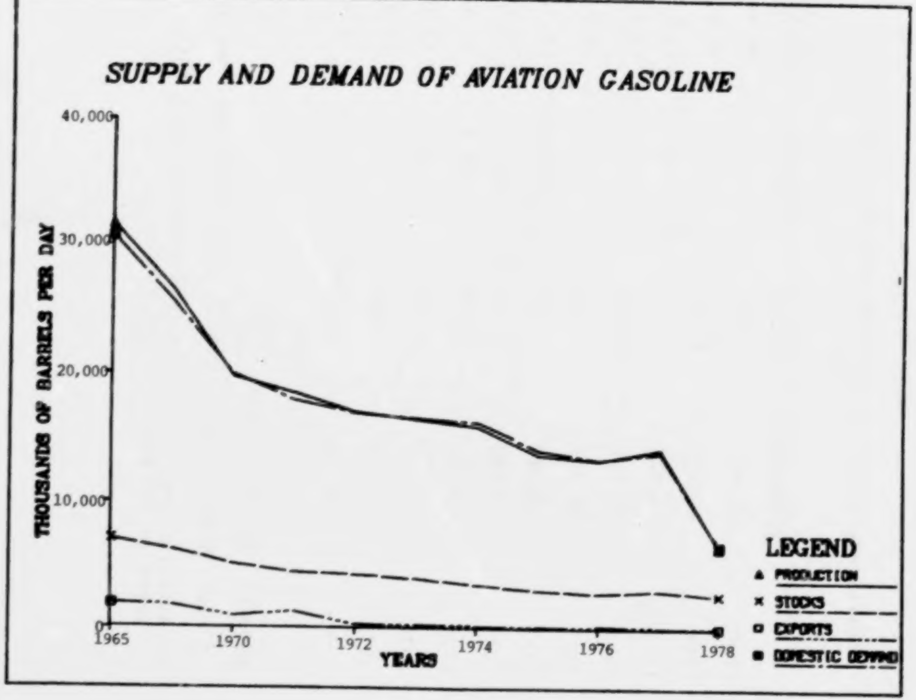
SOURCE: Bureau of Mines

* First 6 months of 1978 only. All others year end stocks.

** Aviation gasoline stocks traditionally reach their low point in the middle of the year.

FIGURE III-5

SUPPLY AND DEMAND FOR AVIATION GASOLINE



fell by 14 percent to 13.7 million barrels, by 3% to 13.3 million barrels in 1976, but increased 6.2% during 1977. Production fell again during the first half of 1978, by 4.4%. However, exports were virtually eliminated, slight volumes were imported, and stocks were drawn down so as to meet a slight, 1.3% increase in demand.

Throughout the 1968-1977 period production was less than demand in five years: in 1970, by 191,000 barrels; in 1973 by 118,000 barrels; in 1974 by 320,000 barrels; in 1975 by 349,000 barrels; and in 1976 by 30,000 barrels. Drawdown of stocks made up the differences in those years. In the years when production exceeded demand, the amount of the excess ranged from 939,000 barrels in 1968 to 68,000 barrels in 1972 and 89,000 barrels during 1977. There were no imports of aviation gasoline until the first half of 1978 when 12,000 barrels were imported. There were, however, exports of aviation gasoline in amounts that declined from 1,834,000 barrels in 1968 to 106,000 barrels in 1975; climbed slightly to 154,000 barrels in 1976, but dropped back to 82,000 barrels during 1977.

In 1977 domestic refinery output of aviation gasoline was 40.0 MB/D to meet demand of 39.2 MB/D and meet exports of 0.2 MB/D. Stocks were increased 0.6 MB/D. During the first six months of 1978, production fell short of demand by 1.4 MB/D. This 1.4 MB/D was made up primarily by stock drawdown but 0.03 MB/D was imported. Demand was fairly even from all PADs except IV. The major portion of output came from PAD III causing refiners producing in PAD III to ship to PADs I and II. (Figures III-2, III-3, and III-4).

Table III-2 shows the annual rates of decline for production, stocks and domestic demand of aviation gasoline.

In contrast to the recent history of steadily decreasing total demand for aviation gasoline, general aviation demand has started increasing and the number of piston engine aircraft has been growing. Domestic shipments of piston engine aircraft rose from 7,394 units in 1970 to 16,904 units in 1977, according to the General Aviation Manufacturers Association. Net billings were at a record high level of $1.48 billion during 1977, rising by 17% over 1976 which in turn, was 19% higher than 1975. The existing fleet grew from 126,000 units in 1971 to 186,600 units in 1978, with the corresponding increase from 23 million flight hours in 1971 to 38.6 million flight hours in 1978. Flight hours in 1978 showed a 5.2% increase over 1977 which was 4.6% higher than 1976. FAA forecasts a 4.8% annual growth rate through 1980 (data from Federal Aviation Administration).

A consideration affecting supply is the nature of the aviation gasoline market. Some major refiners market it aggressively and seek every opportunity to expand their market. Although aviation gasoline is a relatively higher-priced product, its profitability depends on the capitalization and operating costs of a complex distribution and marketing system. A new supplier would have to build a network of FBOs and support them in many different ways that can include such items as truck loan, lease or sale, and many others. A new supplier would

TABLE III-2

YEARLY RATES OF DECLINE (INCREASE) AVIATION GASOLINE
Percent

	Production	Stocks	Domestic Demand
1969	16.2	11.9	16.6
1970	25.5	17.8	22.1
1971	6.4	13.2	10.1
1972	7.9	3.7	5.4
1973	3.4	7.4	2.3
1974	3.2	11.9	1.9
1975	13.7	12.9	13.2
1976	2.8	6.1	5.0
1977	(6.2)	(6.8)	(4.0)
1978*	4.4	4.6	(1.4)

SOURCE: BOM

* Six months

hesitate to set up such a structure; an existing supplier would hesitate to abandon it. Similarly, distribution in small volumes to many airports requires a complex infrastructure.

There have been occasional changes among refiners in emphasis on aviation gasoline. These have caused temporary, localized or regional supply imbalances, but not an overall supply shortage. Such supply disruptions occurred prior to and during controls, and are expected to continue to the same limited extent upon aviation gasoline deregulation.

Price Trends

This section traces aviation gasoline price trends for the period 1968-1978. Prices remained relatively stable during Phases I through III of controls. Phase IV controls (beginning on August 19, 1973), however, were ineffective in counteracting the forces that were causing prices to rise, because they permitted product cost passthrough at a time when imported crude oil was increasing rapidly in price and was also increasing as a proportion of all crude oil used.

Retail prices for the various general aviation segments of civil aviation vary widely. Historical average prices for this aviation segment are difficult to determine because of varying transportation costs and sales volume, the degree of competition, differing state taxes, local fees, and the amount of service given to purchasers. An effort to average such data from 1968 through 1975 appears in Table III-3. As indicated in this table, May 1977 aviation gasoline prices averaged approximately 43 cents per gallon over the 1968 to 1973 period. Prices rose substantially in 1974 and 1975, although at much smaller rates of increase than crude oil prices. This is because so much of the total aviation gasoline price is composed of distribution and service costs which increased at a slower rate than product costs.

In June 1977, FEA compiled price data from 310 FBOs which was collected in April and May by several major refiners, the National Air Transportation Association and the FEA's Regional Offices (Table III-4). All of these FBOs sold grade 100/130 aviation gasoline and 38.7 percent of them sold 80/87 grade. The price of grade 80/87 averaged 2.8 cents per gallon less than grade 100/130. The nationwide average price for grade 100/130 was 81.5 cents per gallon, with a range from 68.7 cents to $1.03. The 80/87 grade average was 78.7 cents with a range from 66 cents per gallon to 90 cents.

Wholesale refiner prices averaged 42.6 cents per gallon in 1976, 46.6 cents per gallon in 1977, and 50.1 cents per gallon through September 1978. In the month of September 1978 refiner wholesale prices were 52.6 cents per gallon and refine retail prices were [illegible].0 cents per gallon.

Wholesale military aviation gasoline prices for 1976 and 1977 averaged 44.1 cents per gallon for 100/130 and 115/145. The large disparity between retail general aviation and wholesale military prices results primarily from larger sales volumes purchased by the DOD, lower transportation costs, the absence of service costs and exemption from sales taxes.

TABLE III-3

AVIATION GASOLINE RETAIL FUEL PRICE*
(Annual Average in cents per gallon)

	Aviation Fuel Grade	
Year	80/87	100/130
1968	40	41.7
1969	42	43.0
1970	42	43.4
1971	42	43.7
1972	43	44.2
1973	47	48.6
1974	64	65.7
1975	68	70.2

SOURCE: Aviation Data Service, Inc. survey for Federal Aviation Administration in 1975 and not updated.

* Includes applicable State and Federal Taxes

TABLE III-4

PRICES OF AVIATION GASOLINE SOLD AT RETAIL BY FIXED BASE OPERATORS BY GRADE AND BY REGION. MAY 1977
(prices in cents per gallon)

Region	Grade	
	80/87*	100/130*
Northeast	80.24	81.47
Southeast	77.90	80.31
North Central	77.59	81.90
South Central	76.82	80.51
Northwest	80.24	85.19
Southwest	79.37	81.89
Average (weighted)	78.7	81.5

SOURCE: DOE, based on data from 310 FBOs assembled by several major refiners, the National Air Transportation Association, and DOE Regional Offices.

* All 310 FBOs sold 100/130. 38.7% of them also sold 80/87. The price differential between 80/87 and 100/130 ranged from extremes of 0 cent to 7 cents, and averaged 2.8 cents per gallon.

General aviation gasoline demand remained relatively stable from 1973-1976, but increased during 1977 and the first six months of 1978. In the face of the upward movement of prices this demonstrates that demand for aviation gasoline is relatively inelastic with respect to price over the historic range of prices.

Market Structure

Major refiners dominate production of aviation gasoline. Fifteen refiners have accounted for a market share of aviation gasoline that has remained relatively constant from 98.6% in 1972 to 97.3% in the first half of 1978. Participation by small independent refiners is negligible.

General aviation is responsible for 80% of aviation gasoline demand. General aviation represents all government aviation except military and all civil aviation except civil air carriers. Most sales to general aviation are retailed through a network of about 5,000 FBOs. Nearly all FBOs are branded, independent marketers. Wholesalers and unbranded marketers are very rare. Occasionally, some large general aviation interests purchase portions (for use at their home base) of their fuel wholesale from refiners, but this is the exception.

Military aviation consumed 15% of domestic aviation gasoline in 1976 and 14% in 1977. This represents a sharp drop as compared to 1970. The Defense Fuel Supply Center (DFSC) purchases these volumes under contract.

The civil air carriers consumed less than 6% of domestic aviation gasoline in 1977. In the early 1950s they consumed no other aviation fuel. Their aviation gasoline use dropped rapidly during the 1960s coincident with the conversion to kerojet fuel, but the rate of decline slowed in the 1970s. Airlines buy aviation gasoline under contract from refiners in most cases.

Aircraft manufacturing activities consume less than 1% of aviation gasoline for engine development, flight testing, production flying, etc. Much of this small volume is under contract from a refiner.

CHAPTER IV

IMPACT OF DECONTROL ON SUPPLY/DEMAND, PRICE, AND MARKET STRUCTURE

This chapter considers future demand, supply, price, and market structure conditions, and assesses the impact of exempting aviation gasoline from Mandatory Petroleum Allocation and Price Regulations. The principal questions raised by the EPCA are:

- Will exemption of aviation gasoline from regulation result in shortages of aviation gasoline or any other refined product?
- Will exemption result in inequitable prices for any class of user of aviation gasoline?
- Will competition and market forces be adequate to protect consumers following an exemption of aviation gasoline from regulation?

To answer these questions, the following analytical approach has been taken:

- Demand forecast -- A demand forecast for aviation gasoline and all refined products was developed for the period 1978-1980.
- Supply forecast -- The availability of refining capacity and crude supply on both a domestic and worldwide basis to meet forecast demand has been evaluated.

- **Pricing forecast** -- The price movement pressures arising from foreign market prices, alternate product prices, and the competitive structure of the industry have been assessed.
- **Market structure and competition** -- Trends that may affect future competition of the major industry segments have been examined.

DEMAND FORECAST

As described in Chapter III, and quantified in Table IV-1 and Figure IV-1, domestic demand for aviation gasoline decreased from 83.9 MB/D in 1968 to 37.1 MB/D in 1976. Then, in 1977, as declining military demand began to stabilize at a relatively irreducible level, continuing growth in general aviation demand caused total demand to begin a gradual increase. Continuation of this trend was expected by the Federal Aviation Administration in its September 1978 publication "Aviation Forecasts" and in Defense Fuel Supply Center estimates.

Aviation gasoline demand in relationship to overall petroleum product demand is shown in Table IV-2. In 1977, it represented about two-tenths of one percent of all domestic petroleum product demand.

SUPPLY ANALYSIS

To assess the adequacy of all petroleum product supplies relative to forecast demand, the key supply determinants

TABLE IV-1

DEMAND FOR AVIATION GASOLINE

Year	MB/D
1968	84
1969	70
1970	55
1971	49
1972	46
1973	45
1974	44
1975	39
1976	37
1977	38
1978*	39
1979**	41
1980**	43

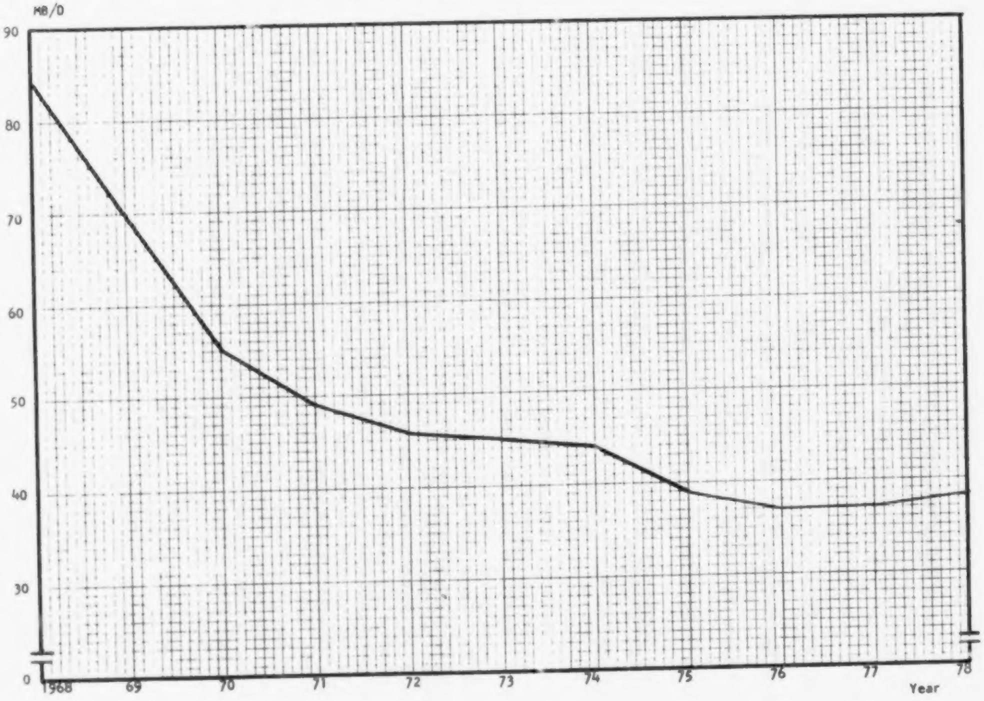
Source: 1968 to 1977 data from BOM

* DOE estimate based on BOM data for first six months of 1978.

** ERA estimate based on FAA "Aviation Forecasts Fiscal Years 1978-89," and DFSC estimates.

FIGURE IV-1

DEMAND FOR AVIATION GASOLINE



Source: Table IV-1

TABLE IV - 2

PROJECTED DOMESTIC PETROLEUM PRODUCT DEMAND
(Thousands of barrels per day)

	1977	1978*	1979*	1980*
Kerojet Fuel	835	900	900	900
Naphtha Jet Fuel	205	200	200	200
Aviation Gasoline	38	39	41	43
Other Products	17,340	18,161	18,759	19,757
Total Domestic Demand	18,418	19,300	19,900	20,900
Exports & Crude Oil Losses	259	200	200	200
Total Demand	18,677	18,900	20,100	21,100

* Projections are rounded to the nearest 100,000

NOTE: Numbers may not sum to totals because of rounding.

SOURCE: Data for 1977 is actual demand as reported in the Monthly Energy Review and 1978 is preliminary actual data. Demand projections for 1979 and 1980 are derived from EIA's Analysis Memorandum DOE/EIA-0102/20 based on macroeconomic forecasts by Data Resources, Inc. (DRI's CONTROL0727 macroeconomic simulation). Aviation gasoline and jet fuel demand projections are prepared by the Economic Regulatory Administration, based on forecasts by the Federal Aviation Administration and the Air Transport Association of America. Since ERA forecasts for aviation turbine fuel demand differ slightly from those produced from EIA's Short Term Petroleum Demand Forecasting Model, the difference is reconciled by modifying the EIA forecast for "Other Products" to stay consistent with the Total Demand derived from the STPDFM.

of refinery capacity, refinery yields, and crude oil supply were analyzed. For this analysis, the Economic Regulatory Administration of DOE has relied upon the Analysis Memorandum (DOE/EIA-0102/20) entitled "Petroleum Supply/Demand Estimates and Cost of Petroleum Imports, 1978-1980, December 1978." The supply of aviation gasoline is expected to be adequate to meet overall demand through 1980.

Domestic refinery capacity, as shown in Table IV-3, is projected to increase by 900 thousand barrels per day from 1978 to 1980. The increase in total domestic petroleum demand from 1978 to 1980 is projected to be 2,200 thousand barrels per day. To meet total demand for refined products in 1980, imports will increase by over 1,100 MB/d from the 1978 level. Utilization of refinery capacity is projected to increase to 90.0 percent by 1980. Although it is high, this rate is comparable to those achieved in the past. (Table IV-4).

Table IV-5 indicates that continued operation of domestic capacity at the forecast rate of 90.0 percent refinery utilization would satisfy projected demand for aviation gasoline of 43 MB/D in 1980.

On a product-by-product basis, some slight shifts in yield are likely, depending on specific demand developments conditioned by weather characteristics and other factors.

TABLE IV-3

U.S. PETROLEUM SUPPLY ANALYSIS
(MB/D)

	1977	1978****	1979	1980
Refinery Capacity*	16,388	17,200	17,700	18,100
Percent Utilization**	89.1%	88.0%	90.0%	90.0%
Anticipated Utilization	14,608	15,100	15,900	16,300
Product Imports	2,176	2,000	2,500	3,100
Natural Gas Liquids	1,618	1,600	1,500	1,500
Other***	275	200	200	200
Total Supply	18,677	18,900	20,100	21,100

*DOE's Trends and Refinery Capacity and Utilization," September 1978.

Estimates do not include Puerto Rico and Virgin Islands, which contribute approximately 1 million barrels per day additional capacity but whose product shipments to the U.S. are considered as imports.

**Based on crude inputs only.

***Includes processing gain, other hydrocarbon inputs, stock change, and unaccounted-for crude oil.

****Preliminary Actual

NOTE: Numbers may not sum to totals because of rounding. Percentages based on unrounded numbers.

TABLE IV-4

DOMESTIC REFINERY CAPACITY UTILIZATION

Year	Percent Crude Oil Input to Capacity	
1968	90.6	
1969	90.6	
1970	88.6	
1971	87.2	
1972	88.4	
1973	89.8	
1974	83.9	
1975	84.2	
1976	87.0	
1977	89.1	
1978	88.0	preliminary
1979	90.0	projected
1980	90.0	projected

SOURCE: U.S. Bureau of Mines, 1968-1973. DOE 1974-1980.

TABLE IV-5

PROJECTED AVIATION GASOLINE PRODUCTION, 1980
(MB/D)

Projected U.S. Refinery Capacity.	18,100
Projected Utilization	90.0%
Estimated Domestic Refinery Production, 1980	16,300
Estimated Aviation Gasoline Yield	.26%
Estimated Domestic Aviation Production.	43
Aviation Gasoline Demand.	43

These shifts in product yields have been demonstrated historically and are clearly within the range of industry capability. In fact, new technology in refining allows more flexibility in the yield mixes of new refineries than was possible in the past. Regardless of actual refinery capacity utilization, aviation gasoline represents such a small part of production that demand can be met without significantly affecting yield patterns.

Adequate aviation gasoline supply will continue to be available as long as overall gasoline supply is adequate. DOE projects overall gasoline supplies will be adequate through 1980.

Availability of Crude Oil

Supply projections indicate that increasing amounts of imported crude oil will be refined domestically, and that imports of refined product will increase somewhat. Crude oil imports are projected at the following levels:

Year	MB/D
1975	4,105
1976	5,287
1977	6,548
1978*	6,000
1979*	6,700
1980*	7,600

* Does not include imports for Strategic Reserve Program.

If there were no major supply interruption worldwide, sufficient production capacity would be available in foreign countries to meet the increased demand for crude imports. Thirteen OPEC countries, Canada, and Mexico together had a total theoretical crude oil production capacity of approximately of 40.4 million barrels per day in September 1978. They actually produced only 34.5 million barrels per day. These countries are thus theoretically capable of producing an additional 5.9 million barrels per day provided such a level of demand exists.

Up to 3.5 MMB/D of this excess production capacity has been utilized to offset most of the recent termination of exports from Iran. The remainder is being met by the drawdown or currently abundant stocks. A return of Iranian exports to even half of their previous level which is the minimum that is expected, should eliminate any need to draw down inventories below normal levels.

Thus, the crude oil supply is expected to be adequate to meet demand for all aviation gasoline through 1980. If Iranian exports should remain at zero for a prolonged period, which is not expected, there could develop some tightness of supply for all refined products on a worldwide basis. It is not expected that such tightness would require the reimposition of controls on any exempted product, although the possibility of activating DOE's Standby Product Allocation and Price Regulations (which were issued 44 FR _____, January 18, 1979), is always available.

PRICE FORECAST

Rising crude oil prices and increased refiner cost pass-throughs will tend to increase aviation gasoline prices with or without controls. Domestic crude costs will rise as permitted under the provisions of the EPCA. While it is not difficult to project the full impact of the recent 14.5 percent increase in OPEC crude prices, an assumption must be made as to the possibility of further increases in 1980. As the volume and percentage of imported crude oil increases through 1980, the average costs of crude oil to U.S. refiners is assumed to rise at a higher rate than the rate of inflation.

Projected crude oil cost increases for refiners and accompanying nonproduct cost increases, assuming levy of full OPEC increases and modest economic growth, are shown in Table IV-6. Assuming that the rising crude costs are allocated to all refined products on a percentage of sales basis,

TABLE IV-6

PROJECTED COMPOSITE CRUDE COST AND NONPRODUCT COST INCREASES WITH CONTROLS

(cents/gallon)

Year and Qtr.	Cumulative Crude Oil Cost Increase Over 3rd Qtr. 1978 Cost	Cumulative Increase in Refiner Non-product Costs	Total Cumulative Increase
1978			
4th	.2	.2	.4
1979			
1st	1.0	.5	1.5
2nd	2.3	.7	3.0
3rd	3.0	1.0	4.0
4th	3.8	1.3	5.1
1980			
1st	5.4	1.5	6.9
2nd	6.1	1.8	7.9
3rd	6.3	2.1	8.4
4th	6.6	2.4	9.0

NOTE:
Nonproduct cost increases are derived by inflating historical refiners' gross margins by the projected GNP implicit price deflator from the Data Resources, Inc. PESSIMO0524 macroeconomic simulation. Costs of increased refining capacity is not included. Crude oil costs include the 14.5 percent 1977 OPEC increase and a 7 percent 1980 OPEC increase, equivalent to the projected U.S. rate of inflation.

SOURCE: EIA Short-term Petroleum Cost Distribution Model (11-3-78) controlled aviation gasoline price increases should closely follow those refiner cost increases. Thus, additional crude and nonproduct costs could cause the price of aviation gasoline to increase by the end of 1980 regardless of whether controls are maintained. Accordingly, the discussion in this chapter focuses on the effects resulting solely from exemption of aviation gasoline from controls.

Five factors must be evaluated in assessing the effect on price movement of aviation gasoline decontrol:

1. Banked Costs
2. Supply/Demand
3. Nature of the Market
4. Alternate Product Value
5. World Price

In this section, the implications for prices due to these factors are assessed, with a focus on how controls exert influence on these factors.

1. Banked Costs

Under current DOE regulations, a refiner is permitted to pass through increases in product costs and nonproduct costs subject to certain constraints. Such costs not recouped during the month after they are incurred can be carried forward (i.e. banked) for future use with certain limitations.

DOE price regulations include aviation gasoline in the category termed "general refinery products." In addition to aviation gasoline, this group also includes propane, butane, and natural gasoline, and prior to their exemption from controls, included those products allocated under Subparts J and K of the Mandatory Petroleum Allocation Regulations (naphthas, gas oils, benzene, toluene, mixed xylenes, hexane, lubricants, greases, solvents, lubricating base stock oils, and process oils), residual fuel oil, and middle distillates other than No. 2 oils. Under the price rules no costs attributable to exempt products may be reallocated to covered products.

The combination of several products in one bank for general refinery products complicates analyzing the effect of banked costs, in that costs can be allocated to different products within the category as the refiner deems appropriate, or to motor gasoline, another controlled product. However, the bank of unrecovered costs that could have been passed through to aviation gasoline under current regulations, and was not, may be taken as some evidence that competitive forces are precluding their passthrough and should continue to do so subsequent to exemption from controls. Large banks are an indicator that market forces, rather than DOE price controls, have established current wholesale price levels (Table IV-7). Price levels set by market forces would not be changed by exemption of aviation gasoline from price controls.

TABLE IV-7

UNRECOUPED COSTS FOR GENERAL REFINERY PRODUCTS FOR 30 LARGEST REFINERS*

($/millions)

	October 1976	October 1977	October 1978
Total Bank	1,471	1,651	1,397
General Refinery Products	426	451	628

SOURCE: Energy Information Administration
P110-M-1 and EIA-14,

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* As of December 27, 1978

2. Supply/Demand

Previous discussion of supply/demand indicates that adequate product supplies can be made available and that no overall shortage exists or is expected. As previously discussed, sufficient refinery capacity exists to meet demand. Sufficient incentive exists to ensure production that will meet demand. Therefore, no pressures for increased prices can be ascribed to potential shortages or capacity constraints, except for possible slight cost pressures caused by need to engage in more sophisticated refining in order to produce greater volumes of 100/130 LL (low-lead).

3. Nature of the Market

As discussed below, under the "Market Structure Forecast" section of this chapter, decontrol of aviation gasoine is not expected to affect the market structure of aviation gasoline nor have any supply/demand impacts. The present dominance of this market by a few large refiners is expected to continue. Any low-volume, high quality product is likely to attract profit-taking needs. In light of increasing demand for unleaded motor gasoline, the value of high clear-octane gasoline components can be expected to increase under lead-phasedown requirements, and the growth of low-lead aviation gasoline as a percent of total supply can be expected to increase the overall value of this product. Because of this, one refiner testified there may be moderate pressures to make this product more attractive to refiners.

The margin for aviation gasoline is not determined solely by the refinery costs and profits. The FBO and the refiner provide a wide variety of additional services for this product. Marketing often requires use of retail sales facilities in which the refiner has invested and which are expected to justify their existence financially.

A recent industry survey indicates the probability that, at least among some Fixed Base Operators and in some regions, nearly all of the 4 cent-per-gallon non-product costs pass-through authorized by the DOE has, in fact, been passed through. This factor suggests some pressure for a price increase at the retail level that will vary from region to region and from airport to airport. It will probably average one cent per gallon, approximately, but the range could be from zero to as much as 4 cents per gallon at some airports where costs are unusually high and competition is low. Transportation costs will be charged where they are incurred in the event of deregulation instead of being averaged as is now being done. If prices are determined solely by cost increments, this third factor (transportation costs) will not change the average price of aviation gasoline; in such a case it could cause prices at some airports to drop, while they increase by a like amount at others. However, some FBOs have had to absorb unusual costs, such as increased flowage fees, which others have not experienced. We could expect to see these increases passed through.

Thus, the three factors mentioned in this section will probably create a "best case" situation at many airports with perhaps as much as a 4 cents per gallon increase. However, the nationwide average effect of these three factors is forecast to remain less than 1-1/2 cents per gallon through 1980. Comments received from consumer groups indicate acceptances of such price increases to assure continued adequacy of supplies.

4. Alternate Product Value

Alternate product value will continue to be a factor affecting aviation gasoline prices following deregulation. Refiners could substantially change production of aviation gasoline without noticeably affecting the yield of motor gasoline, which is the primary alternate product. The profitability of producing aviation gasoline as compared to motor gasoline or naphtha jet fuel (another alternate product) is a factor in determining a refiner's incentive to produce aviation gasoline. Automotive gasoline is such a massive market in the United States that wholesale motor gasoline pricing strongly influences wholesale aviation gasoline pricing. Thus, if the price of motor gasoline should rise, there would be heavy pressure for an aviation gasoline price increase, although any such increases would not be the direct result of the deregulation of aviation gasoline.

5. World Price

World price of refined products can be a factor in the pricing of domestically-consumed petroleum products. As the prices of crude oil and petroleum products outside the United States are not under control, their prices are sometimes thought to set the domestic uncontrolled price.

World price has, however, no measurable effect on the price of domestic aviation gasoline. Virtually no aviation gasoline is imported and small volumes are exported.

MARKET STRUCTURE FORECAST

Large refiners (175,000 B/D and up and who own or control 30 percent or more of their refinery feedstocks) manufactured and sold 97.3 percent of the aviation gasoline product in the first half of 1978, with the eight largest having 92 percent of the market.

The small market for aviation gasoline will probably remain relatively level for the next year or two. Military piston aircraft will be replaced by turbo-props and jets, but the trend will be offset by increasing numbers of piston aircraft joining the general aviation fleet.

Because of the small size and current growth characteristics of this market, it is not expected that competition for the aviation gasoline market will show major changes. Deregulation of aviation gasoline will have no effect on the market structure or the supply and demand patterns of this market.

SUMMARY AND CONCLUSIONS

In this section, the analyses of demand, supply, pricing factors, and market structure are consolidated along with DOE's findings to answer the three questions presented at the beginning of this chapter.

"Will exemption of aviation gasoline from regulation result in shortages of aviation gasoline or any refined product?"

DOE finds that the supply of aviation gasoline through 1980 will be adequate and that exemption will not result in shortages of aviation gasoline or other products. Refining capacity is projected to be adequate to meet any increases in demand for aviation gasoline. Aviation gasoline deregulation would cause no supply problems with other refined products. Furthermore, DOE finds that the access of each sector of the industry to adequate supplies at equitable prices will not be affected by aviation gasoline exemption.

Will exemption of aviation gasoline result in inequitable prices for any class of users of aviation gasoline, and

Will competition and market forces be adequate to protect consumers following an exemption of aviation gasoline regulations?

The changing cost of crude oil is a major cause of price changes in aviation gasoline. Crude oil costs are expected to increase by as much as 6.6 cents per gallon by the end of 1980 (Table IV-6) under crude oil price control provisions. This crude oil cost increase to domestic refiners will create direct pressure for price increases on all products including aviation gasoline even if price controls on aviation gasoline are continued, because current regulations permit refiners to recover increased crude oil costs. Additional increases of up to 2.4 cents per gallon for increased refiner nonproduct costs could also occur, even under controls.

The factors discussed below demonstrate that only slight aviation gasoline price increases are expected to result if this product is exempted from controls. DOE's views as to the effects of each of these factors on prices can be summarized as follows:

Banked Costs. Because aviation gasoline is included in the "other products" category, its bank is mixed in with "general refinery products" banks. The fact that a bank of costs that could be passed through to aviation gasoline does exist is an indication that aviation gasoline prices at the refiner level are not being constrained by DOE pricing regulations and that there should be little pressure for price increase following deregulation. Market forces may be restraining prices at levels below the maximum authorized by DOE price controls.

Supply/Demand. Supply of crude oil is adequate, and is forecast to remain so through 1980 considering the the current drawdown of large crude inventories to deal with the current loss of Iranian supplies, which is expected to be temporary. Aviation gasoline refining capacity is adequate to meet present demand and the slight demand increase forecast for 1980.

Nature of the Market. Exemption of aviation gasoline from regulations will not adversely affect the competitive viability of refiners and marketers. The small size and present structure of the aviation gasoline market is not expected to change as a result of deregulation. Individual regional and airport circumstances will generate pressures for aviation gasoline price increases averaging less than 1-1/2 cents per gallon overall, but larger increases or decreases in local markets will be noticed.

Alternate Product Value. If the prices for alternate products, primarily motor gasoline, but also kerosene and naphtha jet fuel were to increase because of a demand pull, this could impose upward pressure on aviation gasoline prices beyond those that would exist under continued controls.

Summary

Deregulation of aviation gasoline is not expected to have any impact on supply/demand, or market structure. A slight upward impact on price, not likely to exceed 1-1/2 cents per gallon, is possible. However, competition could preclude the realization of any average price increase as as a result of deregulation.

CHAPTER V

IMPACT OF EXEMPTION OF AVIATION GASOLINE ON THE ECONOMY

THE EPAA, as amended by the EPCA, requires that DOE state its views concerning the potential economic impacts (if any) of exempting aviation gasoline from control. Where practicable, these views should include:

- State and regional impacts, including effects on governmental units.
- Effects on the availability of consumer goods and services and the Gross National Product (GNP).
- Effects on employment and consumer prices, specifically, the rate of employment, the Consumer Price Index, and the implicit deflator for GNP.

Three major factors link the energy sector to the rest of the economy: energy prices, energy supply conditions, and energy demand conditions. Relative to an alternative situation, the changes in these factors implied by a given change in energy regulations may have a variety of impacts on the economy, some of a positive and some of a negative nature. As a result of this ambiguity, questions concerning the economic impacts of changes in energy regulations are inherently empirical and, as such, their answers must involve a quantitative analysis.

In evaluating the quantitative impacts of changes in energy regulations, it is useful to distinguish between direct and indirect impacts. Changes in the energy sector typically have a direct impact on prices, employment, and output in the energy sector, and these energy sector impacts, in turn, have a direct effect on GNP, total employment, the CPI, and other economic variables. In addition to these direct impacts, changes in energy regulations have indirect effects on the prices and production of non-energy goods and services. The indirect impacts result from the complex interdependencies that characterize the U.S. economy.

In order to capture the indirect impact of changes in energy regulations, DOE uses simulations of large macroeconometric models to study the quantitative impacts of such changes in energy regulations. The methodology rests on the incorporation of the estimated energy sector impacts of the regulatory change into the appropriate variables in a macroeconometric model. For a given change in energy regulations, a control simulation of a macroeconometric model is modified using outside estimates of the energy sector impacts, and the model is then resimulated over a forecast period. Differences between the results of the two simulations are used to measure the economic impacts of the change in energy regulations.

According to the discussion in earlier chapters, exemption of aviation gasoline from controls would have no significant impact on the price or availability of any petroleum product. As the discussion of this Chapter has made clear, any economic impacts resulting from a proposed change in energy regulations would be in response to changes in the energy sector. Consequently, exemption of aviation gasoline from controls would have no economic impact measured by any of the criteria specified in Section 12 of the EPAA.

CHAPTER VI

FINDINGS AND CONCLUSIONS

This chapter states DOE's findings and views concerning the possible exemption of aviation gasoline from the Mandatory Allocation and Price Regulations. Section 12 of the Emergency Petroleum Allocation Act of 1973 (EPAA), which was added by the Energy Policy and Conservation Act (EPCA), requires that DOE make certain findings and express its views on a variety of matters in proposing to Congress that a product be exempted from regulations. As indicated in Chapter I, since DOE is submitting to the Congress concurrent energy actions exempting aviation gasoline from both pricing and allocation regulations, the findings and views contained herein address both of the exemptions.

DOE's findings and views expressed in this chapter are drawn from the combined analyses presented in Chapters III and IV. These findings and views are grouped under five general headings: (1) findings related to supply and demand, required for exemption from allocation regulations; (2) findings related to price, required for exemption of aviation gasoline from price regulations; (3) DOE's findings that exempting aviation gasoline from regulation will be consistent with the objectives of the EPAA; (4) DOE's views on a variety of potential impacts that must accompany any exemption submitted to Congress, including state and regional impacts; and (5) DOE views related to the effects of exempting aviation gasoline from regulation upon employment, the Consumer Price Index, the availability of consumer goods and services and the Gross National Product.

(1) Findings Related to Supply and Demand

In exempting of any oil or refined product from the allocation regulations, the Department of Energy (DOE) must determine "...that such oil or refined product category is no longer in short supply..." [Section 12(d)(1)(A) of the EPAA]. Chapters III and IV present DOE's examination of the supply/demand situation of aviation gasoline. DOE finds that aviation gasoline is not in short supply and that anticipated supplies of aviation gasoline will be sufficient to meet the demand over the near term. Similarly, stocks of aviation gasoline are sufficient to meet demand surges.

The total supply of aviation gasoline will be adequate over the 1979-1980 period, and exemption will not result in shortages of aviation gasoline and other products. With projected expansions, domestic refinery capacity is expected to be more than adequate to meet aviation gasoline demand. Sufficient supplies of foreign crude oil should be available, and the entitlements program will ensure the availability of equitably priced crude oil to all domestic refiners. An analysis of the refinery yields required to meet aviation gasoline demand demonstrates that refineries have the flexibility to satisfy such demand.

Any exemption must also be accompanied by a finding "...that exempting such oil or refined product category will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the Act..." [Section 12(d)(1)(A) of the EPAA]. With average domestic refining capacity utilization projected to be 90.0 percent for 1980, capacity exists to meet the exepted demand for aviation gasoline. DOE finds that exempting aviation gasoline will not have any adverse impact on the supply of other products.

The analysis of historical supply and demand in Chapter III, and the supply and demand forecast through 1980 in Chapter IV, fully support DOE's findings that aviation gasoline is now, and will continue to be, in adequate supply to meet current and projected demand.

(2) Findings Related to Price

In proposing exemption from price regulations, the DOE must determine "... that competition and market forces are adequate to protect consumers..." [Section 12(d)(1)(B) of the EPAA]. Aviation gasoline prices will increase as crude costs and other costs increase. Supply and demand are substantially in balance and are expected to remain in balance. Competition is expected to increase slightly or remain at current levels. The removal of controls (under which cost increases may presently be passed through to consumers) will have only slight incremental effect on prices of most refiners generally and for most individual refiners, although it will reduce price pressures on some refiners that may have minimal or no banks. Overall price increases resulting from exemption are not likely to be as much as one cent per gallon at the refiner level. It is DOE's finding, therefore, that competition and market forces are adequate to protect consumers if aviation gasoline is exempted from regulations.

The DOE must also accompany any exemption from price regulations with a finding "...that exempting such oil or refined product category will not result in inequitable prices for any class of users of such oil or product..." [Section 12(d)(1)(B) of the EPAA]. Since only a slight price increase is projected to occur as a result of exemption, and since the market structure analysis in Chapter IV indicates little change in market structure from historical patterns as a result of exemption, DOE finds that exemption would not result in inequitable prices for any class of end-user.

With supply presently adequate, no major price increases for aviation gasoline, solely as a result of exemption, are expected to occur. Competition appears to be sufficient to protect both the independent sector of the petroleum industry and consumers.

(3) Consistency with the Objectives of the EPAA

The DOE, in submitting any exemption for Congressional review, is required to support such an action with a finding that it is "consistent with the attainment of the objectives specified in Section 4(b)(1)" of the EPAA.

It is DOE's finding that the exemption of aviation gasoline from the price and allocation regulations is consistent with the attainment of the objectives set forth in Section 4(b)(1) of the EPAA. Since an adequate supply is anticipated, the continued allocation and pricing controls of aviation gasoline are not necessary to protect the public health, safety and welfare and the national defense [Section 4(b)(1)(A)]; the maintenance of all public services [Section 4(b)(1)(B)]; the maintenance of agricultural operations [Section 4(b)(1)(C)]; or the maintenance of exploration for the production or extraction of fuels and minerals [Section 4(b)(1)(G)]. Adequate supply and the positive effects of increased competition should insure that an exemption is consistent with the preservation of an economically sound and competitive petroleum industry [Section 4(b)(1)(D)]; the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices [Section 4(b)(1)(F)]; economic efficiency [Section 4(b)(1)(H)]; and the minimization of economic distortions, inflexibility, and interference with market mechanisms [Section 4(b)(1)(I)]. An exemption should have no adverse effect on the allocation of suitable crude oil to U.S. refineries [Section 4(b)(1)(E)].

(4) DOE's Views Related to Potential Economic Impacts

Any exemption from either price or allocation regulations must be accompanied by "...a statement of the President's views as to the potential impacts (if any) of such (exemption) amendment..." [Section 12(d)(2)(A) of the EPAA]. This section of the EPAA further specifies a number of particular views which should be included, if practicable. In this section of the report, the DOE presents views of such potential impacts, presented in the order in which they are cited in the Act.

Views on the state and regional impacts (including impacts on governmental units). Because no supply, demand or significant price impacts are anticipated as a result of an exemption, no significant state or regional impacts

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are anticipated. In particular, no impact is expected on any governmental units.

Views on the effects on the availability of consumer goods and services. Assessing the potential impacts on the availability of consumer goods and services as a result of exempting aviation gasoline involves consideration of the major uses of this product. General aviation and military aviation are dependent on this product and account for 80 percent and 14 percent of all aviation gasoline consumed, respectively. Since supplies of aviation gasoline have been determined in Chapter III and IV to be adequate to meet both present demand and demand over the 1979-1980 period, it is DOE's view that exemption will have no adverse impact on the availability of consumer goods and services.

Views on the effects on the Gross National Product. Assuming no significant price increase for aviation gasoline, which is DOE's judgment of the most likely result from deregulation, the effect on the Gross National Product (GNP), as determined in Chapter V, will also be insignificant.

Views on the effects on competition. In Chapters III and IV, DOE examined the market structure for aviation gasoline and concludes that exemption of aviation gasoline from regulation will not adversely affect the competitive viability of independent refiners and marketers.

Views on the effects on small business. Marketing of aviation gasoline is not expected to change from present patterns as determined in Chapter IV. No change in supply or demand is projected. No significant price increase will result from exemption. An exemption, therefore, would not adversely affect small business. Large independent and small refiners increased their market share of aviation gasoline sales from 1.4 percent in 1972 to approximately 3.0 percent in 1978. These trends indicate the continued viability of the independent marketer.

Views on the effect on the supply and availability of energy resources for use as fuel or as feedstock for industry. Chapters III and IV examined the supply availability of aviation gasoline and demonstrated that supplies are adequate to meet present demand and anticipated demand for the period 1979-1980. This supply situation is not likely to change as a result of exemption, and, therefore, the fuel and feedstock needs of industry will continue to be met following exemption.

(5) Views on Unemployment, Consumer Price Index, and Gross National Product.

In the case of a proposed exemption from price regulations, the DOE must analyze the effects of such exemption on "...the rate of unemployment for the United States, the Consumer Price Index (CPI) for the

United States, and the implicit price deflator for the Gross National Product..." [Section 12(d)(2)(B) of the EPAA].

As explained in Chapter V, the potential impact of exemption of aviation gasoline on the rate of unemployments, the CPI and the implicit GNP price deflator will be negligible.

SUMMARY OF FINDINGS AND CONCLUSIONS

The DOE has presented the conclusions of this report and related them to the specific provisions of Section 12 of the EPAA, which details the findings and views which must be made to exempt a refined petroleum product from DOE allocation and price regulations. On the basis of the conclusions reached in this report, the DOE believes exemption of aviation gasoline from regulations at this time is fully consistent both with the data supporting the adequacy of supply of aviation gasoline and with the DOE's responsibilities as specified in the EPAA, the EPCA, and the ECPA.

The DOE believes there are substantial benefits to be derived from exempting aviation gasoline from controls. Because the regulations would no longer control conditions in the marketing and distribution of aviation gasoline, the inefficiencies associated with complying with the regulations and the unnecessary interference with market mechanisms would be eliminated. By eliminating uncertainties about the DOE's future regulatory policy, deregulation will also contribute to the likelihood of adequate future supplies of aviation gasoline, because refiners will be more likely to make the necessary capital investment in production capacity when they are able to have more confidence in their economic forecasts regarding return on investment.

Following are further specific beneficial aspects associated with an exemption of aviation gasoline from regulatory controls:

- Deregulation will also help suppliers and marketers of aviation gasoline to better serve the requirements of small business and the marketplace will be more responsive to the needs of all individuals and companies, especially with respect to servicing the needs of consumers in marginal marketing areas.
- The substantial administrative burdens and personnel administrative costs associated with compliance with the regulations will be abolished, and reporting requirements of the current control program will be reduced with deregulation thus moderating the attendant burdens on both the public and private sectors.